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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament
1959

Government
Publications

SPECIAL COMMITTEE ON
BROADCASTING

Chairman: G. E. HALPENNY, Esq.



TUESDAY, JUNE 2, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;
R. L. Dunsmore, Chairman, Finance Committee, Board of Directors;
J. P. Gilmore, Controller of Operations; M. Carter, Controller of
Management; M. Quinet, Deputy Controller of Broadcasting; and J. J.
Trainor, Assistant to the Director of Audience Research.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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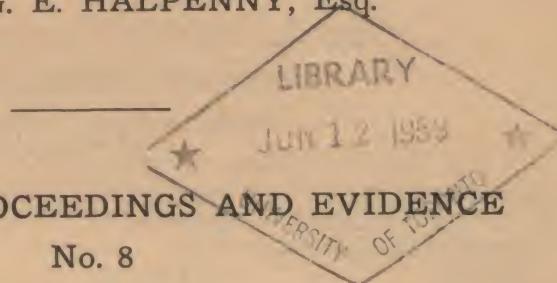
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SPECIAL COMMITTEE ON
BROADCASTING

Chairman: G. E. HALPENNY, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 8



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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

Chairman: G. E. Halpenny, Esq.,

Vice-Chairman: J. Flynn, Esq.,
and Messrs.

Miss Aitken,	Fortin,	McQuillan,
R. A. Bell (<i>Carleton</i>),	*Johnson,	Nowlan,
Tom Bell (<i>Saint John-</i> <i>Albert</i>),	Jung,	Pickersgill,
Brassard (<i>Lapointe</i>),	Kucherepa,	Pratt,
Mrs. Casselman,	Lambert,	Richard (<i>Ottawa East</i>),
Chambers,	Macquarrie,	Robichaud,
Dorion,	Mitchell,	Simpson,
†Eudes,	Morris,	Smith (<i>Calgary South</i>),
Fairfield,	Muir (<i>Lisgar</i>),	Smith (<i>Simcoe North</i>),
Fisher,	McCleave,	Tremblay.
Forgie,	McGrath,	
	McIntosh,	

J. E. O'Connor,
Clerk of the Committee.

*Replaced Mr. Campeau on Friday, May 29, 1959

†Replaced Mr. Rouleau on Friday, May 29, 1959

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ORDERS OF REFERENCE

FRIDAY, May 29, 1959.

Ordered,—That the names of Messrs. Johnson and Eudes be substituted for those of Messrs. Campeau and Rouleau respectively on the Special Committee on Broadcasting.

Attest

LÉON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, June 2, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Messrs. Bell (*Carleton*), Brassard (*Lapointe*), Mrs. Casselman, Messrs. Chambers, Dorion, Eudes, Fairfield, Flynn, Forgie, Fortin, Halpenny, Jung, Kucherepa, Lambert, Macquarrie, Mitchell, Muir, McCleave, McGrath, Nowlan, Pickersgill, Pratt, Robichaud, Simpson, Smith (*Calgary South*), and Tremblay.

In attendance: Mr. E. L. Bushnell, Acting President of the Canadian Broadcasting Corporation, assisted by Messrs. R. L. Dunsmore, Chairman, Finance Committee, Board of Directors; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management, Planning and Development; A. M. Henderson, Comptroller; R. C. Fraser, Director, Public Relations; Marcel Ouimet, Deputy Controller of Broadcasting; R. E. Keddy, Director of Organization; Barry MacDonald, Secretary, Board of Directors; H. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum and reported to the Committee that the Subcommittee on Agenda and Procedure at its meeting held on Monday, June 1st, had reached the following decisions:

1. That the Committee visit facilities of the Canadian Broadcasting Corporation located in Toronto on Tuesday, June 23rd, preferably travelling by air;
2. That Mr. Tremblay's request for specific information relating to the television production "La plus belle de céans" be not entertained by the Committee on the grounds that this would be contrary to a principle accepted by the Committee at its first meeting, namely that information relating to responsibility for individual programs be not sought.

As agreed at the last meeting of the Committee, the motion by Mr. Smith (*Calgary South*), seconded by Mr. Pratt relating to the production of detailed costs of television programs was considered and Messrs. Dunsmore and Bushnell once again outlined the Corporation's position concerning the revelation of such costs and the impact of the adoption of the motion on the Corporation's relations with sponsors.

During the course of their presentation, a telegram from "Sponsor" Magazine and letters from the Canadian Association of Advertising Agencies, Association of Canadian Advertisers Incorporated and Maclaren Advertising Co. Limited were read into the record.

Mr. Nowlan, as the Minister through whom the Canadian Broadcasting Corporation reports to Parliament, was called upon to give his views on the motion.

Following further discussion concerning the advisability of proceeding with the motion, it was resolved,—

That all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the Committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources,

on the following division: YEAS, 11; NAYS, 9.

At 12.45 p.m., the Committee adjourned to meet again at 8 p.m. this day.

EVENING SITTING

The Special Committee on Broadcasting met at 8.00 p.m. this day, the Chairman, Mr. Halpenny, presiding.

Members present: Miss Aitken; Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Brassard (*Lapointe*); Mrs. Casselman; Messrs. Chambers, Dorion, Eudes, Fairfield, Flynn, Fortin, Halpenny, Kucherepa, Lambert, Mitchell, Muir, McCleave, McGrath, McQuillan, Pratt, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*) and Tremblay.

In attendance: Same officers of the Canadian Broadcasting Corporation as shown in attendance this morning, with the addition of Mr. J. J. Trainor, Assistant to the Director of Audience Research; and the absence of Mr. R. L. Dunsmore.

The Chairman observed the presence of quorum and called on Mr. Bushnell and Mr. Gilmore, who presented a "Draft" of a form to be used in presenting television program costs and recoveries to the Committee.

Following discussion it was agreed that where "one person shows" are presented the amount shown under the heading "Talent" should be combined with that shown under the heading "Program Production". It was also agreed that with the exception of "one person shows", the total cost shown under the heading "Talent" should be followed by the number of performers involved in the production.

Agreed.—That officers of the Corporation be asked to proceed immediately with the compilation of cost figures for one week's television productions on the English and French networks, and that the question of whether the Committee should review statistics for an additional three weeks should be referred to the Subcommittee on Agenda and Procedure.

The following documents were filed with the Committee and copies distributed to members:

1. List of commentators on opinion and commentary programs—French and English networks—1958, including

Weekend Review	Commentaires
Midweek Review	Point de Mire
Press Conference	Rencontre
This Week	La Vie Economique
Viewpoint	La Vie Ouvrière
Preview Commentary	Les Idées en Marche
Capital Report	
Citizen's Forum	
Byline	

2. Political and controversial broadcasting policies and rulings—as revised to May 27, 1953.

3. Copy of Television Broadcast Agreement Form.

Agreed.—That these documents be reviewed by the Sub-committee on Agenda and Procedure to determine the need for their inclusion in the Committee's printed proceedings.

Messrs. Bushnell, Ouimet and Trainor were questioned concerning the Corporation's activities in the field of Audience Research.

The following documents were filed with the Committee:

1. Audience Research Bulletin.
2. Organization and Function of Audience Research.
3. Television Program Cost Report re "La Plus Belle de Céans".
4. Production Costs and Associated Income for certain French network programs.

Agreed.—To print as appendices to today's proceedings those documents referred to above as Numbers 2, 3 and 4.

Agreed.—To stand further discussion on the subject of Audience Research until the Corporation presents an organization chart of the Audience Research Division.

Mr. Carter was called and continued with the presentation commenced on Thursday, May 28, 1959, relating to the method of establishing staff requirements for television programs.

At 9.50 p.m. the Committee adjourned to meet again at 9.30 a.m., Thursday, June 4, 1959.

J. E. O'Connor,
Clerk of the Committee.

NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

EVIDENCE

TUESDAY, June 2, 1959.
11 a.m.

The CHAIRMAN: Gentlemen and ladies, we have a quorum.

You will recall that the steering committee was to meet yesterday afternoon. We did meet and came to two decisions, or one decision and one recommendation. The first suggestion is that this committee take a trip to Toronto.

Mr. McCLEAVE: To run the C.B.C.?

The CHAIRMAN: Not exactly to run the C.B.C.

But to view the operations there; and it is Mr. Bushnell's suggestion that we go on Tuesday, June 23. Now, the reason Mr. Bushnell made this suggestion is that the new Board of Directors will be meeting in Toronto that day, and as they are going to take a personally conducted tour through the different C.B.C. buildings in Toronto, he felt that it might be a good time for us to go and that it would be advisable if we joined them. It was suggested also that we could possibly have a meeting with the new Board of Directors and see the operation at the same time as they do.

Mr. SMITH (*Calgary South*): What day of the week is that?

The CHAIRMAN: Tuesday, June 23.

Mr. FLYNN: Is the session going to be over at that time?

The CHAIRMAN: Not for at least a week after that.

Mr. MCGRATH: Do you think it is advisable for the committee to view the operations at the same time as the board of directors?

The CHAIRMAN: I do, personally. Have you any comments on it?

Mr. MCGRATH: My thought in connection with that is that it might be advisable to go and visit the C.B.C. on an ordinary routine day.

The CHAIRMAN: Well, Mr. McGrath, we considered that; but what is an ordinary routine day?

Mr. CHAMBERS: May we arrive without warning?

The CHAIRMAN: There are certain days in which there is not too much going on, and we could arrive on one of those days when they would not have too many productions. The steering committee felt that the suggestion I made earlier would be advisable and they make this recommendation to the committee.

Mr. SMITH (*Calgary South*): Mr. Chairman, I think we should see them at their best.

The CHAIRMAN: Thank you, Mr. Smith. Is it agreeable then, gentlemen? If we go, the thought is to fly up and fly back, so we will not lose more than the one day.

Mr. FORTIN: Is it on the twenty-third?

The CHAIRMAN: June 23, which is on a Tuesday.

Mr. FORTIN: That is the day the Queen will be in Quebec, and we would all like to see her as well.

The CHAIRMAN: I do not think we can get one date that is going to be suitable for every member.

Mr. FORTIN: But the Queen's visit is a special occasion.

The CHAIRMAN: But Her Majesty is going to be in some other parts of Canada from that time on, and it will be just as important for the member from that particular constituency to be with her as the Quebec members in Quebec.

Mr. MUIR (*Lisgar*): Does she not open the seaway on June 26?

Mr. PRATT: Make it the day the Queen is in Toronto; maybe she would like to see the C.B.C.

Hon. GEORGE C. NOWLAN (*Minister of National Revenue*): She is going to see the horses.

The CHAIRMAN: Is it agreed then, gentlemen?

Agreed.

The CHAIRMAN: Now, the second point the steering committee considered was Mr. Tremblay's request, which you will find on page 195. The steering committee decided as follows:

While the committee is aware that much concern has been expressed by the viewing public about the program "La Plus Belle de Ceans", the committee at the inception of these hearings took the position that it would not go into the detailed responsibility for any individual program and it does not now see any compelling reasons for deviating from that decision in the case of the program "La Plus Belle de Ceans".

Have you any comments, gentlemen, or is it agreed?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I wish to be very brief. I do not want to make a long statement as I was reproached the other day for doing so. I just want to know what are the reasons behind the decision of the advisory board.

The CHAIRMAN: The reason, Mr. Tremblay, is that at the beginning of these hearings it was agreed by this committee that we would not go into personalities or personal likes or dislikes, because we would be here ad infinitum if we considered each individual program all the way down, or if we as individuals gave our own likes and dislikes in connection with programs. That was the reason this committee as a whole decided that we would not do it. Have you any further comments?

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I do accept the general remark that we should not enter into details and go into the personalities and so on, but I do think that in the circumstances this is a sufficiently serious matter and that we should obtain a detailed report such as I spoke of the other day. We do not need to find out the names of those responsible, but as the C.B.C. administration seems to us to be a very complicated business, I personally, for my part at any rate, cannot be satisfied with Mr. Bushnell's remark of the other day when he suggested he or the vice-chairman are responsible and they take all the responsibility on their own shoulders. This is rather an easy excuse which does not take true account of the actual facts.

Mr. BUSHNELL: May I say, Mr. Chairman, that there will be a report on this program. I think what we are reluctant to do is to give out the actual

names, the individual names of those involved, but there is a report which we will be very happy to table.

The CHAIRMAN: And further more, Mr. Tremblay, I would suggest that if you wish more definite information than this report will give you, there is no reason in the world why you or any other member of this committee cannot go over to C.B.C. and get the information you need, as long as it is not published and as long as it is a personal thing between you and the C.B.C.

Mr. FORTIN (*Interpretation*): Mr. Chairman, first of all I would like to say here and now that I thoroughly endorse the opinions which have been just expressed in connection with this matter by Mr. Tremblay. Now, I believe that in following your suggestions you are taking us up the long path, so to speak. It is not the member from Roberval or the member from Montmagny-L'Islet who wants the information, it is the public. We are here as representatives of the public, and that is why if the C.B.C. is willing to give information to one individual, then it must give information to those who are paying; in other words, the whole public in general.

The CHAIRMAN: Mr. Bushnell has said there is going to be a statement read to this committee in connection with that program. May we leave any other comment until the statement is read, and at that time you will know whether you have the information you require.

Mr. FORTIN (*Interpretation*): When will the report be submitted? It was requested a month ago.

Mr. BUSHNELL: I think probably it can be submitted very shortly.

There was a question, Mr. Chairman, if I might remind you of it, that the members of this committee were, as a matter of fact, to meet to discuss French network matters exclusively. We did have a short meeting last Thursday and I do not know whether or not it is your intention to go on with this. This report on "La Plus Belle de Ceans" would be in the French language and it can be tabled almost any time that Mr. Fortin desires it.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I am willing to wait for that report to be presented before putting questions in that connection, but first I wish to make a proposal, inasmuch as I wish to ask the chairman and Mr. Bushnell, if it is possible, for Mr. Alphonse Ouimet to be called before this committee.

Mr. BUSHNELL: Mr. Chairman, I regret that is impossible. At the present time Mr. Ouimet is waiting for a room in a hospital in Montreal where he will undergo gall bladder surgery. I would be very reluctant indeed to ask him to attend even one session. As a matter of fact, he asked me to express his grave concern and to extend to this committee his humble apologies that his health would not permit him to appear at this time.

Mr. FORTIN (*Interpretation*): Mr. Chairman, following the request of Mr. Tremblay at the last sitting I added a question in which I asked the C.B.C. to give us the details in connection with the production costs of the program "La Plus Belle des Ceans". I would like to know if we can obtain this information this morning.

Mr. BUSHNELL: That information is available.

The CHAIRMAN: It will be tabled later.

Mr. BRASSARD (*Lapointe*) (*Interpretation*): Mr. Chairman, I wish first of all to say that I am very sorry that Mr. Alphonse Ouimet cannot come to reply to our questions, be it today, tomorrow or in the near future, because I am sure if he came then, like Mr. Bushnell who himself has handled his job so capably, he would be able, with his long experience in radio and television matters, to give us a great deal of information which would dissipate a number of false impressions which some members of this committee have regarding the C.B.C.'s operation.

Mr. TREMBLAY (*Interpretation*): Can he be precise in connection with what he means?

Mr. BRASSARD (*Lapointe*) (*Interpretation*): I think all the members of the public as well believe that the C.B.C. can make errors and, in fact, they did commit some.

The CHAIRMAN: May we go on to the next order of business.

Mr. FLYNN: I have a question of privilege, Mr. Chairman. At the bottom of page 197 in the record I am reported to have said:

In fact they do.

It was a question and should have read:

In fact, do they?

Mr. DORION (*Interpretation*): Mr. Chairman, I do not know if I am quite in order, but before I begin with the questioning of Mr. Bushnell, I want to clarify a few points on which I would appreciate some information. First, I am informed that scripts were prepared a number of times for which the C.B.C. had paid and yet they were never used. I would appreciate some information in connection with this. I would appreciate it if we could be given the names of the authors, the amounts they were paid and why these texts were never used, because I think this would be a totally futile expenditure.

Mr. Chairman, the second point on which I wish information concerns the relationships of France Film with the C.B.C. I would like to know if it has not happened—and I have been trying to get this information for five years—that foreign artists appear on programs televised in Montreal and are paid by the C.B.C.—artists who were invited by France Film before and that France Film would have utilized after for its own services under conditions much more advantageous; and on this point I would suggest that Mr. Jean Paul Lepailleur be called before the committee and asked to testify.

Mr. FLYNN: There is one point in issue. Mr. Dorion did not say he had been trying to get this information for five years; he said he wanted the information for five years.

The CHAIRMAN: Before you proceed, we have an order of business, and that is in connection with the motion which is before the committee. I would suggest that after Mr. Bushnell answers Mr. Dorion's question that we get on with the order of business, which is Mr. Smith's motion.

Mr. MCGRATH: Before you proceed with that, would it be in order to ask questions arising out of the minutes of the last meeting?

The CHAIRMAN: Do you mean regarding the motion?

Mr. MCGRATH: No, regarding the proceedings of the last hearing.

The CHAIRMAN: The next order of business is the motion and then we will have plenty of time for questions on last week's evidence. It is going to be suggested to the committee that we meet again this evening at eight o'clock, so we will have plenty of opportunity to cover everything.

Mr. Bushnell, would you now answer Mr. Dorion's question.

Mr. PICKERSGILL: I do not wish to raise a point of order, Mr. Chairman, but it was understood that Mr. Smith's motion was to be the next order of business and it seems to me it should be. The reply to Mr. Dorion's question, the same as the replies to questions of other members, should be delayed until we dispose of this.

The CHAIRMAN: I agree with you, Mr. Pickersgill. I think I will reverse my decision, if it is agreeable to the committee.

I think we should go on with our next order of business, which is Mr. Smith's motion.

Mr. Dorion, would you mind if your answer is held up until the motion has been considered?

At this time I would ask that Mr. Dunsmore, the chairman of the finance committee of the board of directors of the C.B.C. be heard.

Mr. R. L. DUNSMORE (*Chairman, Finance Committee, Canadian Broadcasting Corporation*): Mr. Chairman, ladies and gentlemen of the committee, in the ordinary industrial or commercial company the shareholders who are the people who supply the money for the business, elect a board of directors whose primary purpose is to look after the interests of the shareholders by means of setting policies that will be in the interest of the corporation, to see that those policies are carried out and also to advise the shareholders, particularly in connection with things which they might feel should be done. It is also their responsibility to advise them of the effect of any particular action they might propose.

Now, drawing a reference parallel, you gentlemen are representing the shareholders of the C.B.C. and the board of directors of the C.B.C. are pretty much the same as the board of directors of an industrial firm.

This board of directors was sworn in six months ago today. At that time there was appointed a finance committee, consisting of three of the members who are businessmen and two of the permanent staff—permanent officers of the C.B.C. Of course, that finance committee was primarily charged with the looking after of the financial interest of you as shareholders in this corporation, so I am one of your representatives.

It has been our effort on the part of the board to ask very similar questions to those you have been asking here. It has been the effort on the part of the finance committee to ask those questions, particularly in the financing field, that will help us to look after your interests; and in doing so we have found we have received from the officers of the C.B.C. sound answers, conscientious answers and truthful answers. So it was with considerable concern that I found this difference of viewpoint cropping up at last Tuesday's meeting.

As a result I went back to the C.B.C. officers and was determined to find out the complete story on this question of costs, particularly as they are used in the United States and as used here in Canada.

With your permission I would like to try to put down here what I put down for myself, in order to make it clear in my lay mind as to what happened about costs.

The CHAIRMAN: By all means.

Mr. DUNSMORE: Between the flash of the idea for a show and the time it gets on the television screen, there are three main areas of activity and therefore of cost. First, you have the production. That is actually the performing of a play on a stage or in the studio. Then you have the televising of that in order to get that production on the air or wire in order that it can get across the country over the network. Then you have the broadcasting which brings it into the television screen.

I found in the United States this production function might be done by the network, it might be done by an advertising agency, or it might be done by what you call a packager, or simply one who processes, televises, and sells the whole thing as a package. In other words, it might be a commercial televising company. I found that in the televising it might be done by the network or by either one of these people. The broadcasting, of course, is done by the network.

In Canada, all three of these are done by the network, the C.B.C. I think we must be clear on that before we proceed any further.

Mr. McCLEAVE: Did you not say that the commercial company could also take part in the televising in the United States or just the advertising agency.

Mr. DUNSMORE: Yes. I hope you will excuse my writing. What I tried to put down in a form I could understand is the data I obtained from these three magazines which were produced here the other day, *Sponsor*, *Broadcasting* and *Television*.

There are three areas of cost and of activity. Now, I said that might be done by the network, it might be done by the agency, or it might be done by a packager. I use that word because it is a simple one. From this magazine, *Television*, I took the information which was given in it on a top-grade television show in the United States produced at a prime hour of the evening. I took the same information from *Broadcasting* and the same information from *Sponsor*. Those are the three magazines. *Television* is a yearly magazine and the others are weekly magazines. They were all published at approximately the same time, some time in April.

From these magazines I found out that this particular program I was looking at was produced by the network and by the packager, together. The second function was produced by the agency and the packager and the third one by the network and the agency. That information was contained in *Television*. I found that the cost given in this magazine was \$140,000.

Mr. PRATT: May we have the name of the show?

Mr. DUNSMORE: I will give it to you in just a moment. I have been picking up a little about the way to put things over effectively from my colleagues in the C.B.C.

Mr. PRATT: I suspected that.

Mr. DUNSMORE: This figure here by *Broadcasting* is \$115,000. This one by *Sponsor* is \$150,000. In each case they covered those two areas. The program was the Chevy show. I think the thing to note from this is that in the first place this is an estimate. It does not claim to be anything else.

I have here letters and wires from the various people in the United States who are involved in this, telling us exactly how they got it. The effect of it is these really are educated guesses picked up by rumours, by their own experience or by information they can obtain by speaking to somebody who works for the agency.

Mr. SMITH (*Calgary South*): Will these be filed with us so we may examine them?

Mr. DUNSMORE: Yes. The thing which I think you should note is that in no case is there any estimate made of what the network received, nor is there any indication of what the network cost was. So there are two figures there which are not given. They do not claim to give them. The network cost in neither case is given. Also I understand that very often in coming to a deal to have this show, from the time of the idea until the time it gets on the television set, they very often tie this network charge into the package. Therefore this is a very, very ephemeral sort of figure. You will notice it varies. I do not want you to be misled by this. This is a yearly magazine, and this is a weekly magazine. This may be an average program cost for the whole series, whereas these may be the individual shows. You will notice there is quite a difference.

I then asked our people in the corporation to give me the cost of a Canadian show. They took the sheet which was filed here the other day. They took a Canadian show which is comparable in type, not necessarily in quality, but comparable in type, to this Chevy show. This one shows a cost for these activities of \$22,100. The difference between this figure and these figures is that this is a firm cost accounted figure which has been tabled. It gives you the exact cost of this type of show. It is a firm cost, cost accounted. The return from that is given on the same table as \$5,600. The difference between these is considerable. It worries us in the board of directors and I know it is in your thoughts here.

In an attempt to reconcile and rationalize that in my mind I formed an illustration which I trust I may be permitted to give. May I use you, sir, in the illustration?

The CHAIRMAN: As long as it is a good caricature.

Mr. DUNSMORE: For the purpose of illustration let us assume you are a respectable citizen.

Mr. SMITH (*Calgary South*): This is purely hypothetical.

Mr. DUNSMORE: Being a respectable citizen, you have a home in London in keeping with your station in the community. You like billiards, so you add a billiard room to your house. Of course, that is another investment you have in your house. You have two teen-age youngsters who like to play tennis, so you add a tennis court to your establishment which, of course, is added cost. Then you are elected to parliament and come to Ottawa. You come to Ottawa and want to rent your house while you are away. So if I might use Mr. Pickersgill in this illustration, with his permission.

Mr. PICKERSGILL: On the understanding it is strictly respectable.

Mr. DUNSMORE: I was going to say that also for this purpose you are a respectable citizen. For some reason you want to rent a house in London. You go to Mr. Halpenny and say, "I would like to rent your house, if you are renting it". He says, "Yes, the rent is \$600 which is based on what is in the house." You say, "That is ridiculous because I can rent a house which serves my purpose which has everything I need right across the road for \$400." Mr. Halpenny says, "I have a tennis court and a billiard room." Mr. Pickersgill replies, "I am not interested in billiards and I do not have any children." This is for the purpose of illustration. He says, "I do not have any children and I am not interested in the tennis court. Four hundred dollars is the deal I am offered across the street." So you rent the house to him for \$400. I feel quite sure neither you nor Mr. Pickersgill feels that you are subsidizing his living cost to the extent of \$200 a month. That is the point I wanted to make.

You see, these advertisers have to work to a budget. They are not willing to pay for something they do not need. They do not especially need Canadian content; they do not need Canadian artists. They are only willing to pay what they feel their advertising budget will stand. They have a yardstick for this which they call the cost per commercial minute per one thousand sets. That is set for a prime hour in the evening for a first-class program.

Taking it from this magazine *Sponsor*, I believe the average cost for this American show was \$3.51 per one thousand T.V. sets per minute of commercial.

I had the people at the C.B.C. work out what that same figure would be for this Canadian show.

The CHAIRMAN: At your cost?

Mr. DUNSMORE: That is right. It was \$4.60. Therefore, you see the Canadian advertiser on that type of yardstick is paying considerably more. The Canadian man sponsoring this program is paying considerably more than they pay in the United States. I believe he is honestly doing that because he thinks it is good public relations. I think that is all I have to say on that point. It is what I found in looking it over.

I just have one more remark to make and then I will be finished. I was going to say that one time I took three Spanish lessons. I found that I could do all right when I was speaking to people who had taken three lessons, but if I got in with people who had four lessons I was stumped. I know these people here have had more lessons in broadcasting than I have and I may be stumped. However, I am prepared to answer any questions which I can answer.

Mr. PRATT: Using the same illustration of Mr. Halpenny and Mr. Pickersgill, in this case Mr. Pickersgill is familiar with his own financing and

so also is Mr. Halpenny. But what happens in the event that Mrs. Halpenny is paying the cost and the taxes? I think Mrs. Halpenny has a right to know what Mr. Halpenny is getting. I think that is the parallel.

The CHAIRMAN: You do not need to answer that.

Mr. DUNSMORE: If I might pass on, sir.

The CHAIRMAN: By all means, proceed.

Mr. DUNSMORE: One other thing which I might add is that in support of the contention that this is information which is not given out, I have a wire from the magazine *Sponsor*, a wire from C.B.S., and one from A.B.C. I have extracts from *Television* magazine and a letter from N.B.C.; also letters from the Association of Canadian Advertisers and one from the Canadian Association of Advertising Agencies and also from McLaren Advertising Company. I do not propose to read all those in. They are, however, available.

The CHAIRMAN: Could they be tabled?

Mr. DUNSMORE: Yes. I might read the one from the magazine *Sponsor*:

Answering your question on TV program prices quoted in *Sponsor*. We obtain these from various trade sources. But in almost all cases our information comes from the buyers rather than sellers of programs. Few program packagers are willing to release such data. Some of our prices are based on educated trade guesses, rather than definite information.

Mr. SMITH (*Calgary South*): May we please have the date of that?

The CHAIRMAN: The date of the wire?

Mr. SMITH (*Calgary South*): Yes, and the reply.

Mr. PICKERGILL: I think it would be interesting to have the Canadian ones read.

Mr. DUNSMORE: The date is May 29.

The CHAIRMAN: Would you also read the ones from the Canadian sources. You said you had two.

Mr. DUNSMORE: Actually, I have three here.

Mr. Gilmore tells me the actual date of that wire was the 28th. I read the date on the top of the telegram.

This is the Canadian Association of Canadian Advertisers. Do you wish me to read it in full?

The CHAIRMAN: Yes. You may do that while these are being distributed. These are copies of the three Canadian letters; the Association of Canadian Advertisers, the Canadian Association of Advertising Agencies and the McLaren Advertising Company Limited.

Mr. DUNSMORE:

During recent days I have been receiving an increasing number of calls from members of our association who have been following reports of the special committee on broadcasting.

They have been expressing their concern at the possibility that television cost information, which they have always regarded as a matter confidential among themselves, their respective advertising agencies and C.B.C., would become public knowledge.

You will appreciate it is one thing to publish estimates of costs, which I believe is the custom in the United States, and quite another matter to disclose exact factual details. This is the type of information that business firms do not wish competitors to have access to, no more than they would wish to disclose other costs such as manufacturing, selling, administration, et cetera; all of which have a very direct bearing on successfully carrying out business in a competitive economy.

This is of very grave concern to our members, a number of whom account for a major proportion of the advertising revenues received by C.B.C. Accordingly, I am hopeful the foregoing will receive understanding consideration as this matter is being examined.

Mr. SMITH (*Calgary South*): Of course, this letter was not solicited?

Mr. DUNSMORE: No. I suppose some of his member people wrote to him. The CHAIRMAN: This is signed by whom?

Mr. DUNSMORE: Mr. B. E. Legate, general manager of the association.

The CHAIRMAN: Mr. Legate is here if you would like to have him comment on this later.

Mr. PICKERSGILL: I think we should have the other letters read.

Mr. DUNSMORE: This letter I am about to read is from Alan L. Bell, general manager of the Canadian Association of Advertising Agencies. It is dated May 27. He says:

The Canadian Association of Advertising Agencies has been following with interest the proceedings of the special committee on broadcasting. One of the matters referred to in the press reports has been the question of the disclosure or otherwise of the expenditures by individual advertisers in the production of television programs. The advertising agencies regard information relating to the cost of producing programs for their clients as confidential and are careful to treat this information accordingly for competitive reasons.

It occurred to us that this comment on the prevailing policy or custom in this matter might be of interest.

The next is from Mr. Horler of the MacLaren Advertising Company Limited. It is written to Mr. Bushnell. It says:

It is obvious from newspaper reports that you are being pressed by the commons committee on broadcasting to disclose itemized costs of various sponsored programs carried by the C.B.C. television network. As representatives for some of your major T.V. clients, we are most concerned that information which we consider to be highly confidential could become common knowledge.

As you know, advertising expenditures of all companies are jealously guarded. In fact, when we require the dollar breakdown of a competitor's advertising activity, we must utilize the services of an independent research organization, but at best the results are only poor estimates.

We have always conducted business with the C.B.C. on the basis that television production costs are the private concern of the corporation and the sponsor. If this situation should change it could seriously affect the attitude of advertisers who are currently investing millions of dollars in Canadian produced programs.

The CHAIRMAN: Mr. Smith asked if these were unsolicited.

Mr. Bushnell, were these solicited?

Mr. BUSHNELL: Mr. Chairman, they were not solicited. I do not want to leave any wrong impression. I think it was asked in this committee if we had anything in writing from any of these sponsors. I did call Mr. Hugh Horler, who is vice-president of the MacLaren agency, and I asked him if he could recall any time that this had been put on the record. He said he could not recall it. We could not find anything. However, he indicated to me at that time that this was causing a great deal of concern to some of his

major clients. Therefore I would assume, and I can only assume this, that Mr. Horler spoke to members of the A.C.A. and the C.A.A.A. and that is what produced the letters which have been read.

The CHAIRMAN: Before there are questions asked, I believe Mr. Dunsmore has something further to add.

Mr. DUNSMORE: As I mentioned in my earlier remarks, I have always considered and still consider it is the function of the board, or any committee of the board, to advise the shareholders, in this case yourselves as representing the shareholders, of our assessment of the results of any action you may be asking the corporation to take. I am speaking as a member of the corporation—and that would be the function of a business corporation—and therefore I consider it my function as a member of the board to tell you what I think about this proposal.

I might say too that the other members of the board have been advised of this situation and we have had their replies. The effect of all this—and I have been told of this by the secretary of our board—was that what you propose would be detrimental to C.B.C. and to your interests.

Now, before I finish, Mr. Chairman, I would like to point out that none of this discussion says anything about whether this is a good figure or not. Do not misunderstand me; it may have been that that particular program could have been produced for less than that.

Mr. SMITH (*Calgary South*): For the record, would you state what that figure is.

Mr. HALPENNY: This illustration appears as item (J) at page 132.

Mr. DUNSMORE: \$22,100, and you will find that in the list of tabled costs on page 132. I do not want you to interpret from anything that I have said that I am saying it is a proper cost; it may be that program could have been produced for \$20,000. That is a question which we in the finance committee are continually asking ourselves. We are trying to get the information so we can determine that. However, that is a different question entirely from this one about which we are talking here. The question here is the cost of the production of this, and that is what we are interested in.

Mr. CHAMBERS: I find in going over these figures, which are the type of figures he has used—and I have just done the French network—I notice that the loss or subsidy varies from a high of 44 per cent, where one program is subsidized, down to an area where the C.B.C. made a profit of approximately 20 per cent. There is a great deal of variation in the amount for which these programs are being subsidized. I wonder if you have a comment on the equity of that.

Mr. DUNSMORE: What you are saying is there is a great deal of difference in what Mr. Pickersgill or any other gentleman who might want to rent Mr. Halpenny's house is willing to pay for it, and he happened to rent it to Mr. Pickersgill who was willing to pay \$400.

This show was put on the market and the people who took it up were willing to pay \$5,600, in competition with the other people who might be interested in taking that program. Now, different programs, the attitude of advertisers, the number of broadcasting stations over which that program goes, would all have an effect on the figure. The figures vary in relation to what they feel they could pay for that particular program.

Mr. CHAMBERS: Mr. Chairman, I would like to revert for a moment. Nowhere in the United States where you produce these other things does any such type of loss occur. I am not quarrelling with this. I am just saying that in Canada we have to subsidize, but we may in fact be subsidizing one soap company \$5,000 a week and another one only \$2,000 a week.

Mr. DUNSMORE: There is no question of subsidy; it is what you can sell it for. It is no more of a subsidy than renting that house. That is all he was willing to pay.

I think possibly the point that was overlooked, and maybe I did not stress it strongly enough, is that the U.S. network may lose money here. We have no way of determining because we do not know what it cost them or what they receive for that part of their activities. They may make it up here or make it up there, because very often these are all put in one package and they make the deal with the man who is sponsoring this.

Mr. HALPENNY: Do the N.B.C., C.B.S. and A.B.C. lose money on the whole?

Mr. DUNSMORE: To the extent of my three lessons, I have been told they do lose money on this but pick it up here.

Mr. SMITH (*Calgary South*): They show a net profit of \$70 million.

Mr. MCGRATH: Arising out of the illustration by Mr. Dunsmore, there is one inescapable fact we must always bear in mind in presenting any analysis between the C.B.C. network and the American ones. They are as follows: (a) the C.B.C. is a publicly-owned network; (b) it has exclusive rights for the six largest markets in Canada and (c) it operates at a deficit.

Now, bearing that in mind I would ask Mr. Dunsmore a question in connection with the costs of commercial television shows, and perhaps it could be more specifically directed to Mr. Bushnell. Is the sponsor aware of the cost involved in C.B.C.'s productions on commercial shows, when the sale is made?

Mr. BUSHNELL: Generally speaking, he would have a pretty good idea.

Mr. MCGRATH: Is that knowledge made known to him by the C.B.C.?

Mr. BUSHNELL: Not specifically, no.

Mr. MCGRATH: He has no way of knowing the production costs of that particular show?

Mr. BUSHNELL: I would not go so far as that, Mr. McGrath. He has a reasonably good idea of the cost of artists and he has an idea of the costs of our facilities. We make standard charges for certain services. He can total them up and come pretty close to the exact cost. He may not know how much is added for overhead and I do not think we would disclose that.

Mr. MCGRATH: It has just been brought to my attention that on page 159 of the evidence Mr. Bushnell spoke with respect to commercial television shows and he said in part:

That advertiser then says to us, "How much is this going to cost?"

We tell him what the costs are going to be, and he says, "We cannot afford it."

And then it goes on to say:

We say, "Thank you very much, we will go to your competitor and see if he can afford it."

From this it can be construed that the potential advertiser is told the cost of production.

Mr. BUSHNELL: He is told how much we charge him, the amount we probably would charge him. Obviously, that is the figure there—\$5,600. That is the amount we charge him.

If I may answer Mr. Chambers' point, Mr. Chairman, the wide difference can be attributed in most cases to the fact that some sponsors buy their shows for 52 weeks and some for 26 weeks; there is a series of discounts allowed. Another thing is this. Some sponsors are using both the English and French networks and on the French network we are paying for live talent; we have to take that into account. It is the volume that pretty well sets the rate that we ask the sponsor to pay.

Mr. MCGRATH: Why is it that the agents of the C.B.C. or the advertising agents are not told beforehand: look, this show cost the C.B.C. \$22,000 to produce, we must realize \$22,000 from the sale of this show.

Mr. BUSHNELL: Well, Mr. McGrath, we could tell them that, but I know what their answer will be. They will say: we will not buy it.

Mr. MCGRATH: I would suggest that General Motors cannot afford to do without television advertising in Canada, and there is only the one network. The same thing applies to the three automobile dealers and large soap companies. They cannot afford to be without the facilities of national advertising.

The CHAIRMAN: Gentlemen, this is getting into a difference of opinion.

Mr. MCGRATH: No, it is not, Mr. Chairman. With all due deference, I am trying to make a point here.

The CHAIRMAN: I think you have made it.

Mr. MCGRATH: I have a question which perhaps could be termed as a compromise. If the C.B.C. and the board of directors feel that it is not in the interest of the corporation, say, if you like, not in the public interest, to make public the costs of commercial television shows and how much of the cost is being borne by the taxpayer, perhaps just as a suggestion, would it not be possible for the corporation to make known to the committee the C.B.C.'s cost involved in producing a show? In other words, if you sell a show, name a specific show. For example, if the show costs you \$22,000 to produce and you realize \$5,600 from that, why not give us the name of the show.

Mr. PRATT: This is exactly the question I asked several days ago and did not receive an answer.

Mr. SMITH (*Calgary South*): First of all, I will not accept any departure from the motion that has been moved. I would like to point out again, and I am quoting from the Association of Canadian Advertisers brief, which deals with the relationship of the sponsor to the C.B.C. where we have had it suggested or inferred that these costs are often given to the sponsor and, I think, this comment is important. It says:

A handicap in the present system is the inability of the agencies on behalf of the advertisers to obtain any breakdown of costs of C.B.C. produced television programs.

Perhaps I might read one other quotation, which is Mr. Fowler's provocative point.

The CHAIRMAN: What is the date of the first one?

Mr. SMITH (*Calgary South*): It is dated April, 1956.

I am now reading from page 180 of Mr. Fowler's report:

How does the commercial division know that the particular sponsor who buys a show would not be willing to pay \$6,000 or that some other sponsor in another company or another industry would not be willing to pay \$7,000 for it.

The point I want to make, Mr. Chairman, is this. The only standard that we have to determine relevant costs is actually in radio, in so far as the C.B.C. is concerned.

I have here a list of the rate cards of the two Montreal English-speaking stations and one French-speaking station, which I am prepared to file now, and the C.B.C., which shows that at comparable times, taking any one of them for a one-minute spot, they are undercharging or their rates are considerably lower than any of the other competitive prices. This goes back to what the traffic will bear, which is the expression used by Mr. Bushnell. I suggest when we are talking about the sponsor—and we have made reference to what proportion he is prepared to pay—that this is purely a matter of opinion. It

is indicated by a comparison of the radio network and C.B.C. that we are considerably below the costs which comparable broadcasting systems ask of their clients, and they are not charging what the traffic is prepared to pay for it.

I would like to make one further point.

Mr. McCLEAVE: On a point of order, Mr. Chairman, surely we should be cutting out the opinioned statements of members. Could not the hon. member for Calgary South ask Mr. Bushnell or someone for a comment in connection with that?

Mr. SMITH (*Calgary South*): I propose to do so. I will be happy if he does it now.

Mr. PICKERSGILL: There are a good many members of the committee who would like to ask the present witness questions in connection with opinions he put to us and I think they should be given priority over those who have come here to make speeches.

The CHAIRMAN: Mr. Smith, what the Chair had in mind was that questions should be asked of Mr. Dunsmore in connection with his presentation.

Mr. SMITH (*Calgary South*): I will follow your advice. I was following the practice of Mr. Pickersgill, who invariably makes speeches.

The CHAIRMAN: And then I suggest to the committee that after that the minister, who answers to parliament for the C.B.C., would like to make a statement. After that, Mr. Smith, in view of the fact that you have made the motion, I would like you to sum up. Do we have any questions?

Mr. PICKERSGILL: Yes, I have several questions. My first question—and it seems to me that it is a basic question—is this. Can he tell us precisely how it is that the C.B.C. by keeping this information—secret—and Mr. Smith is asking to have it made public—is able to get a higher price for the program. It seems to me that is the essence of the question.

Mr. DUNSMORE: I am afraid that I cannot answer categorically to what Mr. Pickersgill has asked, but I would suggest that if I were an advertising agency and had a certain budget, I would apply this figure here to it and say: how much can I afford to pay per thousand sets per commercial minute. Regardless of what the C.B.C. tells me it costs, I would have to assess what I thought was the value of that program to me in terms of the thousand sets I could get into per commercial minutes—that is, the minutes of commercial story I can get over.

Mr. PICKERSGILL: I have a second question based on that answer. Perhaps I might say that I think we want to find out, so far as we can, what advantage there is to the C.B.C. and not to the advertisers in having this information kept from the public, and I am prepared to concede that there seems to be a good deal, but what I would like to know is this: what advantage does the C.B.C. get in selling this advertising because of the fact that neither the costs of the advertising nor the costs of the program are made known.

Mr. DUNSMORE: My answer to that—and it may not be a satisfactory one—would be this: I think we in the finance committee could take a program, with the costs involved and with the receipts involved, and not knowing what the name of the program was or who the name of the sponsor was, could just as efficiently work as if we did know these names. I do not think we need the names of the programs, nor do we need the name of the sponsor in order to investigate that along the lines I have suggested. Perhaps this is costing the C.B.C. more than it should be, and that is something on which we are working now.

The CHAIRMAN: Mr. Pickersgill, I have let you speak before two or three other people who wish to ask questions; would you mind holding back for a few minutes?

Mr. MUIR (*Lisgar*): Mr. Chairman, I have a supplementary question to Mr. McGrath's question. Does the C.B.C. shop around for sponsors for these productions, or call for tenders on them?

Mr. BUSHNELL: We do not call for tenders, but certainly we rap on doors of advertising agencies and clients, and everywhere else. We have a strong sales force and they are out and trying to sell. They try to get the most money they can.

Mr. MUIR (*Lisgar*): A supplementary question, Mr. Chairman. Why do you not call for tenders? Do you feel it is equitable to go to certain sponsors and ask them without giving other sponsors the opportunity of getting one of your better productions?

Mr. BUSHNELL: Well, I must say it would be something new in the advertising world. I have never heard of any advertising sold on that basis but, perhaps, it would be a good idea.

Mr. MUIR (*Lisgar*): It sounds a little like certain sponsors have a monopoly to me.

Mr. BUSHNELL: Actually, we call on more than one person. We go from one client to another. As I said before, if we are not successful with one client, we go to another.

Mr. LAMBERT: This reverts to a statement made by Mr. Dunsmore and I would like your comments. He stated that this committee was like shareholders of a company. Say, for instance, a company was producing these shows and they were in a loss position, do you not agree that the problem facing management and the shareholders is that if it is losing money, do we continue it or do we wrap it up? I would like your comments on this. Is not that our problem here?

Mr. DUNSMORE: May I answer that, Mr. Chairman?

The CHAIRMAN: By all means, Mr. Dunsmore.

Mr. DUNSMORE: At least, I will try to answer it. I think the point you make is a very fair one. That is what a company would do. They would say if this line that we are selling is not making a profit, why do we not drop it, and it would be up to management, through the board of directors, to tell the shareholders, if they asked why. It might be they wanted to carry it as a loss because it was a loss leader. However, in this case we are dealing with a different proposition and that is what I meant when I explained rather clumsily that we are trying to add to our business yardsticks; and one of them is that the Canadian people want to have Canadian programs with a Canadian content. We have to make up our mind. First, is this costing us too much; and suppose we were able to effect economies and so on to get this down to \$18,000, there is still a big gap. Can we afford to pay that out in order to have that Canadian program, or are we going to review our whole operation and say we cannot afford to do that—that we can only produce programs that will bring in a return which will keep us in the black.

Mr. LAMBERT: I have a supplementary question.

The CHAIRMAN: Just a moment please. Could we have questions fairly closely connected to the motion? We are going quite far afield and I doubt if we are ever going to get to the motion.

Mr. LAMBERT: Is not a supplementary problem this: instead of attacking the costs, should we not be attacking the problem of how much we get back? I am referring to that \$5,600 figure, and I think that is the figure we are trying to strive at here. Are we getting enough? The loss position is the result of subtracting your revenues from your costs, and we have two problems to tackle, not only actual costs, but what is our revenue.

The CHAIRMAN: I am sorry to disagree, Mr. Lambert, but I do not see what that has to do with the motion at the present time.

Mr. PICKERSGILL: I think that particular question of Mr. Lambert's has everything to do with it. It is one of the most fundamental questions there could be. Surely, if we are going to make a judgment on the question of whether or not the amount that these programs are sold for is going to be made public, we have to have the answer to his question.

The CHAIRMAN: But gentlemen, the motion reads as follows:

That all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources.

My only point, gentlemen, is that we should get to the motion some time within the next two weeks.

Mr. PRATT: It seems to me we are dealing with only one side of the picture. I should like to ask Mr. Bushnell if it is not a fact that the sponsors are not interested solely in the cost of the program but in the number of viewers; in other words, he is interested in the cost to the viewers. Even if Canadian programs may cost only one-half or one-third of what the American programs cost, nevertheless the cost per viewer is normally higher in Canada than it is in the United States.

Mr. BUSHNELL: Very definitely.

The CHAIRMAN: That has been pointed out here.

Mr. PRATT: I do not think the committee has taken particular cognizance of this question.

The CHAIRMAN: What is the question, Mr. Pratt?

Mr. PRATT: That was my first question: that the cost per viewer is much higher in Canada, and certainly these extravaganzas just do not pay a sponsor with a small Canadian population.

Mr. BUSHNELL: That is correct.

Mr. PRATT: Therefore the C.B.C. has to pay a certain portion of it, and this makes the C.B.C. or the public partners with the sponsor.

Even though this committee is willing to forego obtaining information as to the name of the sponsor and the amount paid, it seems to me that this has no relationship to divulging the cost of the program.

The CHAIRMAN: That is what I have been trying to say. I do not think that a lot of these points have to do with the motion.

Mr. TREMBLAY (*Interpretation*): I wish now to put a supplementary question to Mr. Dunsmore regarding publicity agencies.

The CHAIRMAN: Publicity agencies, advertising agencies, or sponsors?

Mr. TREMBLAY (*Interpretation*): I have not come to that yet. On May 26, 1959 I asked as follows: have the publicity or advertising agencies or sponsors made representations to the C.B.C. with a view to saying that the figures should not be divulged? Mr. Dorion asked whether, in the contracts which were drawn up between the C.B.C. and the sponsors, there was a clause to the effect that the figures presently asked for by the committee should not be divulged?

Mr. Dunsmore tabled two letters—I am sorry, three letters. Were there, in 1957 and 1958 or before May 26, 1959, representations made by the sponsors to the effect that the C.B.C. should not divulge the figures called for by the committee and now being called for by the committee?

Mr. FORTIN: Mr. Chairman—

The CHAIRMAN: Would you like to answer that first? All right, go on Mr. Fortin.

Mr. FORTIN (*Interpretation*): Mr. Chairman, I have a supplementary question on the same line and at the same time as that referred to by Mr. Tremblay. Did the C.B.C. for its part promise, guarantee, or represent it in any way to be understood that never would these figures be divulged?

Mr. BUSHNELL: Not to my knowledge. Now, speaking to Mr. Tremblay's question: I think it was asked before if we had anything in writing, and I recall saying that we did not. But it was something which has been understood between the C.B.C. and the advertisers for years and years and years. There is nothing in the contract and we have a copy of the contract here which binds us not to disclose the figures; but it has been clearly understood by the advertisers and the management of the C.B.C. that those figures would not be disclosed.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, I have a question to put to Mr. Bushnell. Would you please tell me if these are actual verbal agreements, or if there are any actually written documents on which you can base yourself and say that it is really and precisely a definite understanding between the C.B.C. and the sponsors?

Mr. BUSHNELL: There are no written documents to my knowledge. I can speak from personal knowledge and experience. As I indicated to you the other day, I have had 25 years experience in broadcasting. It will be 26 years on November 1, since I have been with the national broadcasting system.

Prior to that I was manager of a private station. During my term of office with CRBC and the C.B.C. I have been program director, and I was also responsible for the sale of programs. I was head of the commercial department as well. So from actual personal experience I can tell you that we have been asked time after time not to disclose these prices. Actually I think—if I may go back—that we have in former radio broadcasting committees, never certainly been pressed, to this extent at least, for these figures. But I can assure you, Mr. Tremblay, that we have just considered it actually as unethical. There has never been anything in writing and we have never done it.

Mr. PICKERSGILL: My question is strictly on the motion. I want to explain that.

The CHAIRMAN: No statements please.

Mr. PICKERSGILL: My understanding is as follows—and Mr. Bushnell will correct me if I am wrong—I understand from the last answer that the argument which he is making for not disclosing—and I want to be fair and make sure that it is right—is that it would displease an advertiser.

I want to get from Mr. Bushnell the advantage to the C.B.C. of keeping this information private, and what advantage there is to the public. I am not in the least satisfied that we have an answer to that question yet.

Mr. BUSHNELL: In answer to Mr. Pickersgill let me put it this way: I think that if you displease a customer, you do not sell him a second time.

Mr. PICKERSGILL: Is that the only argument that the C.B.C. has to advance? If it is, a lot of the members of this committee will have to decide whether or not it would be in the public interest to get this information that is called private. I would not treat it as private, just to please a customer or an advertiser, but only if we can be seized that the C.B.C. is really going to get more advertising revenue.

Mr. PRATT: That sounds like a statement.

Mr. PICKERSGILL: Then we have equal rights in this committee.

The CHAIRMAN: Is your question on the motion, Mr. Dorion?

Mr. DORION (*Interpretation*): Mr. Chairman, I asked Mr. Bushnell the other day to produce a formula and a specimen contract with regard to the

type of contract entered into between the advertising agencies and the C.B.C. I am told that it was produced, but I do not personally have a copy.

The CHAIRMAN: It is being distributed now. It has either been distributed, or it is going to be distributed. Now, Mr. Simpson, is your question directly on the motion?

Mr. SIMPSON: I think it is.

The CHAIRMAN: Let us hear it.

Mr. SIMPSON: Anything pertaining to the cost would be on the motion.

The CHAIRMAN: No, I do not agree with that at all.

Mr. SIMPSON: This is a question I would like to have answered.

The CHAIRMAN: Let us have the question and we will rule whether it will be answered now.

Mr. SIMPSON: I would like to know whether the C.B.C. at any time whatsoever have received any complaints from advertisers that certain other advertisers might be getting—or invariably getting—the benefits of these better programs which are shown on the form as presented to us, as having greater variance between the cost of production and the cost to the sponsor?

The CHAIRMAN: What is your question; I do not get it.

Mr. CHAMBERS: Whether one advertiser thinks another is getting a better break.

The CHAIRMAN: That is, for example, if General Motors bought one, and they had a complaint from Ford that it was never offered to Ford?

Mr. SIMPSON: Or, getting into the smaller advertisers, who do not have as much money to spend, but who could take advantage of these programs which are going fairly cheap.

Mr. BUSHNELL: I have no personal knowledge of that. I think it is safe to say that an advertiser will probably kick about the deal his competitor is getting. But just one point: I think it was mentioned—I am not sure whom it was by—that we would suffer a loss in business. Well, one of the biggest deals that we had for one particular year—I think it was two years ago—we simply could not satisfy this very big advertiser. He stayed off the air that year and the C.B.C. felt obliged to include in its schedule the type of program that he had sponsored before.

Mr. SMITH (*Calgary South*): Would you mind giving us the name?

Mr. BUSHNELL: Yes, it was General Motors.

Mr. SMITH (*Calgary South*): And what was the program?

Mr. BUSHNELL: C.B.C. Theatre. Now it is called General Motors Presents. We lost that business for one entire year. They did not go anywhere. They put their money in publications.

The CHAIRMAN: That was some time ago.

Mr. BUSHNELL: Yes, that was two years ago.

Mr. SIMPSON: I am trying to get at this thing from the point of view of Mr. McGrath and Mr. Muir. I believe Mr. Bushnell said in relation to these figures on the board that that figure of \$5,600 was more or less set by the C.B.C. and that they could sell that program at that price. I wonder who would get priority to make the first move to get the first bid on that show. Maybe the first sponsor who approached might not take it.

The CHAIRMAN: I cannot see how these questions have anything to do with the motion whatsoever. Would you mind asking that question at a later date. Now, Mr. Tremblay, is your question strictly on the motion?

Mr. TREMBLAY: Surely.

The CHAIRMAN: Let us try it for size.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, to follow up the example set by Mr. Pickersgill, I would also like to mention the question of public interest and to ask whether it is in the public interest to expect the taxpayers to contribute towards a program which served the purposes of publicity. Mr. Chairman, this is without giving the taxpayer information as to what the proportion is that he pays in taking part in that publicity.

Mr. BUSHNELL: I do not think it is my place to answer that question.

The CHAIRMAN: I am going to call on the minister. Possibly the minister would like to comment on it. The Hon. George Nowlan is a member of this committee.

Hon. George NOWLAN (*Minister of National Revenue*): Mr. Chairman and members of the committee: I am here as a member of the committee, but if there is a ruling against the making of statements, I do not want to be treated differently from any other member in that regard. In other words, if it is against the rules of the committee to make statements, I do not wish to transgress that regulation as applied to others. But I could express my views in this matter if you wish.

Mr. PICKERSGILL: I move that we hear the minister.

The CHAIRMAN: Do you want to put a limitation on the length of his statement?

Mr. PICKERSGILL: I certainly do not.

Mr. NOWLAN: I do not have any prepared statement to make. As I said, I am here as a member of the committee. I have not spoken to one member of this committee with respect to this matter, other than yourselves. Every member of the committee is free to vote as he sees fit. There is no pressure whatsoever.

If this motion were made in the house, then as minister standing in the house I would say, subject to the usual reservations, which would mean that confidential matters would not be disclosed. But I do not take that stand here.

You are inquiring into the cost and I want those costs to be thoroughly examined in every way shape and form. There can be no question about that whatsoever. The only question I have in mind is that I understand that perhaps the advertiser does not think that the names of the particular sponsor should be given. When you give the name "General Motors Presents" you usually have the name of the sponsor as well, because you know who it is.

We have had letters read this morning from advertising agencies in Canada and advertisers who said that they did not feel that way; they have not said it was prejudicial to them, but it indicated that it would cause them to review their position with respect to the C.B.C. As Mr. Bushnell pointed out, there is severe competition for the advertising dollar, and they themselves need this medium open to them.

If we disclose the identity of the corporation and thereby the name of the advertiser, the result would be that the advertiser might spend his advertising dollars somewhere else and that would be prejudicial to the corporation as well as to the public purse.

I think to some extent that may be the answer to the problem which is bothering the committee.

Mr. PICKERSGILL: As to how the advertiser is going to be protected?

Mr. NOWLAN: I am not the least bit concerned about protecting the advertiser any more than he is. I am concerned about the program of the C.B.C. because it will be my responsibility in a little while to pilot the estimates of the C.B.C. through the house, if God is good to me and I have the strength, and we hope to be doing the same thing next year.

I do not want to be in a position then of having the C.B.C. telling me that we need more money because we have lost advertising revenue because of the action you have taken here in compelling us to disclose the information.

There is no question in the world that if the committee moves by a majority that this information should be disclosed, it will be disclosed. There is no question about that; but my own opinion is that it is not advisable to disclose it. Frankly, I do not see any purpose in it, other than to satisfy the legitimate curiosity as to the identity of a particular firm which is paying out these particular dollars.

We must remember this, and I think I said this in the house, that I am not setting government policy, because the government has not made a decision on this point yet; but I think it is generally accepted that within a very short time I know—I know this, that the Board of Broadcast Governors have drafted regulations for television, and I think it is a fairly safe assumption that within a few months there will be private television stations applying for licences; and the monopoly to which Mr. McGrath referred and quite properly, will prove to be a protection.

Next year there will be private television stations in operation and I am quite sure—and Mr. Allard is sitting down there, he is the president and manager of C.A.B., and if he were asked next year to produce advertising figures in connection with the private stations which may be licensed, he would object most strenuously, and that the committee would not insist that he give them. So you by producing these figures now, if we decide to do so, I would suggest only that would we be driving advertisers away at the moment, or at least they would reconsider the situation, so that perhaps next year the C.B.C. would be placed in a very unfair position in competition with these private television stations which will be competing for the same advertising dollars, and who would know exactly what the advertiser was paying in the way of costs for a program this year.

Parliament is reluctant to vote moneys in the way of the huge sums required, and they are huge sums. Reports show that they will get larger. I do not think we should put the corporation in a position where, rightly or wrongly, we have added to those costs.

I say too, that we have a board of directors. You have heard one of them this morning. I think they are competent businessmen; and I told them when they were appointed that their job was to go into this matter of costs, and to examine it and if possible try to rectify it, if there has been extravagance. I want to see that cleared up.

I think this committee should investigate costs, quite perfectly and properly so. But I do not see where the divulging of names and of sponsors is adding in any way to the information which the committee will get in the most searching examination it can make in this field. Therefore my personal feeling is—and it is only my personal feeling, because I have not consulted my colleagues in the cabinet, and I have not discussed this matter with a single member of the committee—my personal feeling is that the committee should get the costs of all these programs, but that the information should be marked in such a way that it cannot be directly identified by way of any particular sponsor or firm.

The CHAIRMAN: Thank you, Mr. Minister. Might I remind you that the minister is not a witness and I suggest we allow Mr. Smith—because he made the motion—to make a statement.

Mr. SMITH (*Calgary South*): Mr. Chairman, first of all I think it should be clearly stated that the minister has emphasized, and as Mr. Dunsmore already indicated, that nobody consciously is going to do anything in this committee to harm the operations of the C.B.C. That should be cleared out of the way very quickly.

The question then arises whether or not the disclosure of this information is in any way going to produce this effect of cutting back on the revenues.

I suggest that a case has not been made out. When reference was made by Mr. Bushnell that it would, and when he suggested that one advertiser some time ago refused to take a particular program, I think it should be pointed out to the committee that he did come back on the air. I think that we have to recognize, and which is contained in the reference of this committee, is that we are responsible to the public as its nominee to investigate fully the operations of the C.B.C.

I also suggest we should know not only what the total cost will be but also the relationship of the proportion of the income received by the C.B.C. for production. As an example, there have been several cases which show the rather loose way in which this is negotiated with the sponsor. We should have the basis and what proportion he does pay. I suggest this is an important factor for the committee to consider. The argument has been put forward that the advertising agencies have objected to disclosure of this information. I suggest that is not natural. Certainly, an agency which has been able to negotiate a certain arrangement is not going to be in a position where he will lose the opportunity of continuing this. I suggest that in competitive practices we will not be endangering the C.B.C.'s business. We cannot accept less than this on behalf of the people who are subsidizing the C.B.C.

Mr. PICKERSGILL: I would like to make some observations particularly with reference to what was said by the Minister of National Revenue. The one argument the minister made which impressed me very much was his argument that within a year there is likely to be a competitive set-up in this field.

Mr. SMITH (*Calgary South*): Are we going to proceed with the motion or are we going to have further debate on it?

Mr. PICKERSGILL: It seems to me if we vote for this motion, if we are going to be consistent at all, when that situation arises, which the Minister of National Revenue envisages, we must also insist that private television operators disclose these costs also, because on the basis on which the C.N.R. and the C.P.R. have been treated ever since the C.P.R. has been brought into existence, we have always taken the view that the C.N.R. should not be asked to disclose anything which its competitor would not be asked to disclose. I think this would be an unfair way of interfering with private business. Despite what I am saying, I am not at all satisfied with the reasons which we have had for keeping these secret. However, I do not see how I could vote for the motion in the circumstances stated by the Minister of National Revenue.

The CHAIRMAN: Are you ready for the question?

Some hon. MEMBERS: Question.

Mr. PRATT: May I make one statement?

The CHAIRMAN: Yes.

Mr. PRATT: I fail absolutely to see why any sponsor would refuse to come back and purchase a show if the amount were made public. I do not see that.

The CHAIRMAN: Here is the motion:

Moved by Mr. Smith (*Calgary South*), seconded by Mr. Pratt that all costs of production of both commercial and sustaining television programs in both the French and English networks be presented, at the earliest possible date to the committee, for the last complete month itemizing these costs and relating them to recoveries made from sponsors, and other sources.

All those in favour of the motion say "aye".

In my estimation the "ayes" have it.

Would all in favour put up your hands, please.

Eleven.

Those against the motion please put up your hands.
Nine.

It is eleven to nine. I declare the motion carried.
Gentlemen, I think we have had enough for today.

May we continue this meeting tonight at eight o'clock. Is that agreeable?
Agreed.

EVENING SESSION

TUESDAY, June 2, 1959.
8.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. BUSHNELL: Mr. Chairman, may I make a request?

The CHAIRMAN: By all means, Mr. Bushnell.

Mr. BUSHNELL: This afternoon we have drafted—and I would like to emphasize the fact it is a draft only—for your consideration, a little sheet of paper which says, "Canadian Broadcasting Corporation television costs and recoveries, live Canadian productions." Now, with your permission, Mr. Chairman, it might be distributed to the members of the committee—

Mr. BELL (Carleton): I think I should like to see it.

Mr. BUSHNELL: —and see if that would be sufficient to answer your purposes.

The CHAIRMAN: Do we have enough draft copies?

Mr. BUSHNELL: Yes.

The CHAIRMAN: This is to follow up the results of the motion of today?

Mr. BUSHNELL: That is right, and actually the motion itself has brought one or two questions and problems to our minds and we do not want to appear again to be reluctant. We will do anything this committee wishes us to do. But, on the other hand, we do have to keep in mind that when this motion says "itemizing these costs," if you want that broken down in such very great detail I will have to tell you it will take at least six men a week, to get one week's information.

Mr. BELL (Carleton): Mr. Bushnell, with the memorandum which you have now produced, how long would it be before you could produce that information?

Mr. BUSHNELL: Well, again, Mr. Bell, that depends on whether you want it for a full month, as the motion suggests. May I remind you we are putting out 10,000 live Canadian television shows a year, and you can divide that by twelve and it means we would have to go through the books for well over 800; and that is a pretty monumental task.

The CHAIRMAN: May I suggest, Mr. Bushnell, that inasmuch as Mr. Smith, the mover of the motion, is not here, or Mr. Pratt, the seconder, that we postpone any further discussion on that. If you gentlemen would like—have you all copies?

Mr. MCGRATH: May I make a suggestion?

The CHAIRMAN: By all means, Mr. McGrath.

Mr. MCGRATH: By reason of the fact there has been a pretty minute breakdown of the program Peter Grimes, perhaps it would not be necessary to have such a minute breakdown for all other programs.

Mr. BUSHNELL: We are suggesting, actually, that this form might be adopted or used.

Mr. MCGRATH: May I study this form?

The CHAIRMAN: Mr. Bushnell, will you explain it to us?

Mr. McCLEAVE: I think we should not postpone it. We had a majority vote in the committee and here we are.

The CHAIRMAN: Mr. McCleave, do you think in this form it will be sufficient?

Mr. McCLEAVE: I would like to ask Mr. Bushnell whether they would even prefer a simpler form than this? I do not think anyone contemplated that we would tie up all sorts of people in the Canadian Broadcasting Corporation for an endless time filling in forms.

The CHAIRMAN: I would suggest, Mr. McCleave, that Mr. Bushnell carries on with this form and let us discuss it. At the end of the submission he can tell us approximately how much time it would take to give us all the information that was requested in the motion. Would that be satisfactory to the members of this committee? Agreed?

Agreed.

The CHAIRMAN: Would you continue with the form, then, Mr. Bushnell.

Mr. BUSHNELL: Now?

The CHAIRMAN: Yes. I think they all have copies in front of them.

Mr. BUSHNELL: I thought it was suggested actually that you should leave the whole thing until Mr. Smith and Mr. Pratt were here.

Mr. McCLEAVE: Let us go on with it now; we are here and the others are not.

The CHAIRMAN: Is that agreeable to you, gentlemen? My thought was that we would discuss the form right now and see if that is sufficient for this committee. If we did not feel that we required a whole month's costs, that possibly Mr. Smith and Mr. Pratt, the mover and seconder, would somehow change their recommendations or suggestions.

Mr. BUSHNELL: Well, Mr. Chairman, could I have Mr. Gilmore explain this in greater detail?

The CHAIRMAN: Certainly.

Mr. J. P. GILMORE (*Controller of Operations, Canadian Broadcasting Corporation*): Mr. Chairman, the proposal here is to set forth in their main items the items of cost, starting at the top with the program title, the location at which the program was produced and the name of the sponsor.

The next line would be the date of telecast, the time, which will indicate whether it was a quarter, a half or a one-hour program, and then the program code number, which is based on our ledger accounts.

Then we go to the production cost, in which I think the breakdowns are self-explanatory and the talent, the program production, design, staging and the technical. That would give us the production cost sub-total. To this we would add, as we have shown on other itemized costs we have given you, the regional production centre overhead and then the management supervision, to come down to a total production cost. Would there be any questions on that?

Mr. BELL (*Carleton*): To what extent will that reveal individuals? For example, on talent, will that disclose the individual amounts which are paid to certain persons?

Mr. GILMORE: Not on the basis of this block breakdown, necessarily. It would be total talent paid on that program.

Mr. BELL (*Carleton*): On some programs it might?

Mr. GILMORE: If it is a one-man program it could.

Mr. BELL (*Carleton*): Well, that is the concern I have. I do not want to see, Mr. Chairman, a breakdown which discloses the amounts paid to a single individual.

The CHAIRMAN: That would be contrary to the decision made by this committee at the inception.

Mr. FLYNN: Could this be complemented by the number of actors involved?

The CHAIRMAN: The number of people with that talent, for example?

Mr. GILMORE: Yes, the number of performers.

Mr. FLYNN: Could I agree with Mr. Bell that maybe we could spare the programs involving only one talent.

Mr. GILMORE: Could I suggest, Mr. Chairman, that a logical combination to put these two items in would be simply program production and talent?

The CHAIRMAN: Well, if you put both those together then we would, I think, not possibly get the individual amounts for any individual artist. Is that agreeable?

Mr. MUIR (*Lisgar*): I would object to any talent quota program production.

The CHAIRMAN: Why?

Mr. MUIR (*Lisgar*): Because I think we do not need that breakdown. I do not want to get down to the individual, I am opposed to getting down to the individual; but I do not think there are too many shows that only have one person acting on them.

The CHAIRMAN: There are bound to be some shows.

Mr. GILMORE: May I suggest, then, that in programs using only one artist that we combine those?

The CHAIRMAN: Is that agreeable, with just one person hired as talent that we incorporate the talent and program production together under one heading?

Agreed.

Mr. MCGRATH: Arising out of this breakdown, could we perhaps have an explanation of what is meant by "management supervision"?

Mr. GILMORE: Yes, sir, I think the comptroller, Mr. Henderson, referred to this in one of his talks to you on the subject of overhead. This is the national departments which would, for the purposes of this discussion, be the production from Ottawa, the president's office, my own office and Mr. Henderson's office, distributed across the whole program output.

Mr. MCGRATH: That is the cost accounting?

Mr. GILMORE: Yes.

The CHAIRMAN: Would you continue, Mr. Gilmore?

Mr. GILMORE: Under recoveries we show two sections, one from sponsor; and here the recovery breaks down into three logical categories, program package, which we have talked so much about, is the sponsor's contribution to the production cost. Then the station time, which is the payment by the sponsor for the one-time rate on a given station to air that program; and then under the category "other" we propose to put the cost of network distribution.

The CHAIRMAN: And private affiliates?

Mr. GILMORE: Private affiliate payments would be deducted from the station time.

The CHAIRMAN: That would be included in the "other"?

Mr. GILMORE: No, sir, it would not be included; but it could be included as a journal entry. Or we could include another category showing the payment to private stations, if you wish.

The CHAIRMAN: I think it would be interesting if that was shown as a separate item, payment to private affiliates.

Mr. BELL (Carleton): What is the purpose of that?

The CHAIRMAN: Well, Mr. Bell, my thought on that is that part of the network of Canada today, I mean the whole of the network of Canada today is not only C.B.C.; they have several affiliated stations, and I thought it might be interesting to the committee if we are told how much these stations get for this half-hour, this fifteen minutes or this hour.

Mr. BELL (Carleton): Well, as usual, you are very convincing.

The CHAIRMAN: Thank you, Mr. Bell.

Mr. GILMORE: Can I point out we cannot enter this under "recoveries." It would have to be down under both.

Mr. BUSHNELL: You would have to show it in and out.

The CHAIRMAN: Mr. Simpson, do you have a question?

Mr. SIMPSON: Getting back to production cost, could we have an explanation of the second item, program production?

Mr. GILMORE: In the program production cost would be such things as the time of the producer, time of the script assistant, and the production assistant. Such direct program personnel charges would be included there.

The CHAIRMAN: Very much, Mr. Gilmore, as was shown on a couple of breakdowns we have had to date?

Mr. GILMORE: Exactly, sir.

Mr. MCGRATH: Mr. Chairman, where would the network line charges be included?

Mr. GILMORE: In the cost side of it, or in the recoveries? That would be under "other".

Mr. MCGRATH: Where would the cost be?

Mr. GILMORE: The cost would have to be included as a separate item under "technical".

Mr. MCGRATH: Well, your network line charges would be the same for every show carried on the network?

Mr. GILMORE: For every unit of time, yes. It may be a rather difficult calculation to make. I would think it would have to be a pretty arbitrary division to cost that unit of time, because these network contracts do run for five or ten years. It is based on adding certain stations as we go forward. So it is pretty hard to say that a distribution of 43 stations for a one-hour program would cost X hundreds of dollars, and the next quarter-hour the network changes to only 40 stations. Then the costs change.

Mr. MCGRATH: But your contract with the Bell Telephone Company, for example, and those other companies that have built the microwave network would be on a contract basis?

Mr. GILMORE: Yes, sir, and we could arbitrarily take that down to an average one-hour cost basis for each eight-hour day.

The CHAIRMAN: I think that would be satisfactory, Mr. Gilmore. Would that be satisfactory to you, Mr. McGrath?

Mr. MCGRATH: It would, yes.

Mr. McCLEAVE: May I ask Mr. Gilmore for an explanation of (b) "from parliamentary vote" under "recoveries"? Is that just to bring that up to the total production cost?

Mr. GILMORE: Yes, I think that becomes a very significant factor, Mr. Chairman, if I may put it this way. For all sustaining programs, and do not let us forget this will include a lot of sustaining programs, the full amount will show in there, and on commercial it will be divided between the sponsor payment and the balance from public funds.

Mr. FORTIN (*Interpretation*): Where will we find the amount of money paid, or to be paid, to the author of a play which is to appear on the television screen?

Mr. GILMORE: Mr. Chairman, under "talent".

Mr. DORION: Even if he has no talent at all!

Mr. FORTIN (*Interpretation*): On condition that the author has talent.

Mr. GILMORE: Sir, this will be a very objective analysis.

The CHAIRMAN: We realize that.

Mr. MCGRATH: In connection with this breakdown of figures, Mr. Chairman, for cost of production and the amount to be recovered from the sale of television programs, is it possible to have an explanation on the procedure that is followed? For example, is there a department of the Canadian Broadcasting Corporation charged specifically with the sale of these programs; and, for example, are there personnel in that department who operate on a commission basis, the same as in a private radio station, for example, on the ordinary 15 per cent commission?

The CHAIRMAN: Are you finished, Mr. McGrath?

Mr. MCGRATH: Because if that was the case it would be included somewhere there.

Mr. GILMORE: Mr. Chairman, the method of handling these sort of transactions is that at our network head offices and at each of our production locations there is a small commercial department. They are concerned with the sales of programs. They are salaried personnel in the corporation. Their costs would be shown under the regional production centre distributed against all commercial programs.

The CHAIRMAN: Any other questions on this form, Mrs. Casselman or gentlemen? Then, is this form agreeable to every person sitting here tonight?

Agreed.

The CHAIRMAN: Thank you very much.

Mr. BELL (*Carleton*): When can the information be produced?

The CHAIRMAN: How long would it take, Mr. Bushnell, please, to get all the information requested?

Mr. BUSHNELL: I should think, Mr. Chairman, probably by a week from today we could give you one week and then work forward week by week.

The CHAIRMAN: And how many people would it take to make this information available—how many man-hours at least to get this information for a week?

Mr. BUSHNELL: It will take a maximum of—probably Mr. Henderson can answer that.

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): Mr. Chairman, I think it will take three senior men, three junior men and probably two girls, working for the best part of a week to produce a week

The CHAIRMAN: At each point?

Mr. HENDERSON: The whole job.

The CHAIRMAN: Three senior men—

Mr. HENDERSON: Three senior men, three junior men and about two girls for the typing. We have got some 200 of these to pull out for the week.

Mr. FAIRFIELD: I do not think there is any use of this committee trying to study 850 approximately of these forms. We will not get anywhere with them. I do not want to back down on the motion, but when that number of forms is produced in front of me I am certainly going to be stalled just looking at them, let alone studying or going through them. Could we not get down to a more reasonable number of forms to study?

Mr. MCGRATH: That is a question which is very well taken. Would it not be possible to get a cross-section of a week's transmission, rather than your complete log, which would cover your different types of programs?

The CHAIRMAN: There is only one thing wrong with this, gentlemen, and that is we had a motion this morning. If it is agreeable with you I would suggest that the C.B.C. go on and give us one week's program, and then we will take this to the steering committee and invite Mr. Smith and Mr. Pratt, the mover and seconder of the motion, and see if they would be agreeable—

Mr. PRATT: Well, Mr. Chairman, I am entirely in favour of this idea. I think it is ridiculous to try to get that number—

Mr. BELL (Carleton): I do not think I agree with it, Mr. Chairman. This committee passed a motion this morning. I voted against it. If those who voted for it want to back down on something they have done, that is up to them.

Mr. PRATT: I object to that, because I am on the record as having seconded the idea. I would suggest the only problem before us is to find a method of choosing one dozen or two dozen typical shows, which would be satisfactory to the majority of the members of this committee. This could be done by the steering committee, or maybe this committee would agree to form a small committee of its own to do this; but I do not think it would be feasible for this committee to ask for this mass of information.

Mr. BELL (Carleton): Well, that is what the committee asked for this morning.

Mr. PRATT: But the committee this morning—

Mr. BELL (Carleton): Why was not the committee better advised this morning?

Mr. FLYNN: That is not the reason you voted against it, Mr. Bell.

Mr. PRATT: Mr. Chairman, I think I have the right to the floor.

The CHAIRMAN: All right, go ahead, Mr. Pratt.

Mr. PRATT: Thank you. We were dealing this morning with a matter of principle, and here we are dealing with a matter of common sense.

The CHAIRMAN: Mr. Chambers, you have a question?

Mr. CHAMBERS: Would it be true if we took a month, would there not be a lot of repetition—that is, shows that are on weekly or even daily—and we will be getting, in fact, the same information four times over, or even 20 times?

Mr. BELL (Carleton): Exactly.

The CHAIRMAN: May I suggest once again, even if the C.B.C. do give us the 800 different breakdowns, that this committee can still make its choice of any number of those 800 they may wish to analyze? I still revert to my original thought that this could be brought up at the meeting of the steering committee, at which time Mr. Smith and Mr. Pratt would be invited, to see if there is any change in their request.

Mr. McCLEAVE: I would suggest we get a week's run and decide where we want to go from there.

Mr. FAIRFIELD: I just wonder, on this question, how many of these 10,000 are sponsored programs. After all, this is what we are looking for.

Mr. BUSHNELL: About 60 per cent.

Mr. FAIRFIELD: We are looking at 10,000 and not 6,000.

Mr. BUSHNELL: That is not the motion.

Mr. MCGRATH: The committee wants to be fair to the corporation, I think. What percentage of the shows would be network shows? What percentage of sponsored shows would be network and what percentage would be local?

Mr. GILMORE: I have no immediate breakdown on what is network and what is local, but the question called for all network shows. I think the wording of the motion asks for network programs.

Mr. MCGRATH: That is the answer to my question.

The CHAIRMAN: May I suggest it is going to take a week's work to get a week's programs; and some time during this week it could be brought before the committee. Is that agreed?

Agreed.

Mr. PRATT: If the committee wants a list of specific shows, I have a list I have drawn up myself, which I would be happy to put forward as my suggestions.

The CHAIRMAN: You may present them to the steering committee.

Mr. PRATT: All right.

The CHAIRMAN: During the last two or three sittings there was a number of questions asked. I know there are some short answers and some answers that should be tabled.

Mr. Bushnell, are you, or is one of your confreres ready to answer these short questions verbally?

Mr. BUSHNELL: There are some that may not be too short; at least, the material that is attached to them is rather voluminous.

This list of speakers for the calendar year 1958 on radio and television opinion and commentary programs, on the French and English networks is one. This material, I believe, has been filed with Mr. O'Connor, and is ready for distribution.

The CHAIRMAN: That has been distributed.

Mr. BUSHNELL: It has been distributed.

The CHAIRMAN: Do you wish this to be put in the appendix? As Mr. Bushnell has said, it is pretty heavy material. What is the wish of the committee?

Mr. BELL (Carleton): I do not think we should go to the extent of printing it as an appendix.

Mr. CHAMBERS: If the Clerk of the committee assures us that the members who are not present will get copies, then that will be all right.

Mr. BELL (Carleton): We all received copies this morning.

The CHAIRMAN: Would it be agreeable that the steering committee review each one of these very carefully; and if there is any point, page or part that should be printed in the appendix, do we have permission from this committee to do so? Is that agreed?

Agreed.

Mr. BUSHNELL: The second document I would like to file, Mr. Chairman, is in answer to a question that was put, I think, by Mr. Dorion on May 21 regarding copies of C.B.C. policies on political and controversial broadcasting in French and English.

The CHAIRMAN: They have been distributed, have they not, Mr. O'Connor? Gentlemen, what is your wish? Is it that this distribution is sufficient, or do you wish them to go to the steering committee again? Any comments?

Mr. SIMPSON: Put them through the same as the others.

Agreed.

Mr. BUSHNELL: The third document I would like to file—and probably it has been distributed too—is the television broadcast agreement, which I think Mr. Dorion asked for. Again, Mr. Dorion, I must apologize. I only have this in the English language at the present time; and, at least, we will try to procure some copies in the French language, if you will permit me to do so, later.

Mr. DORION: May I have a copy of this?

The CHAIRMAN: This is in connection with what?

Mr. DORION: This is on political and controversial broadcasting—policies and rulings.

The CHAIRMAN: Would you continue, Mr. Bushnell?

Mr. BUSHNELL: I think there were some other questions asked, to which we have prepared the answers; and I was prepared, actually, to speak to a question asked by Mr. Pickersgill, but I do not see him here. Would you prefer that I leave that?

The CHAIRMAN: You can answer it; it will appear in the record.

Mr. BUSHNELL: Fine. This question, I believe, was a question asked by Mr. Pickersgill, who seemed to have some doubt about the wisdom of the C.B.C. adding to its news reporting staff in Ottawa. I asked for time to consider that, and I have here a prepared statement, which will take me only two or three minutes, or maybe five at the outside to read.

The CHAIRMAN: Very well, Mr. Bushnell.

Mr. BUSHNELL: In the developing techniques of broadcast news we feel the public should have the opportunity of hearing as well as seeing the news.

Our daily newscasts for radio and TV are still soundly based, as they always have been, on the dispatches of the great news agencies, Canadian Press, Associated Press, Reuters, United Press International, and Agence France Presse. However they do have some limitations for broadcasting. They can provide us with the written word that can be shaped into bulletins and given to the news readers. They do not provide us with the supplementary news material that we need.

We think that the public should have the chance to hear the voices of the people who make the news, to see them on television programs, and if possible to be taken right to the scene of the news by radio and TV as the news is happening.

We cannot get this kind of Canadian coverage anywhere so we have to provide it ourselves.

The new Broadcasting Act does not change the authority given us in this field. Since the early 40's we have been gathering and broadcasting news on our own initiative, on CBC News Round Up, and, we hope, steadily building a reputation for integrity and independence.

All networks and enterprising private stations have found that they, themselves, must go out after the news to provide voice and actuality reports and news on film. This means setting up a news gathering organization, recruiting reporters and cameramen and training staff.

It should be noted that for many years we have had the help of private radio stations in this task, getting reports from their newsmen and from working newsmen in all parts of Canada. In television we took the lead a few

years ago in forming a newsfilm co-operative. Today almost a dozen private stations pool their camera coverage of Canadian events, with CBC News acting as the distributing agent.

Extending back to war days, we have been building up a staff of foreign correspondents and their first hand reports by voice and film give authority and distinction to our news broadcasts. Only in such a way could we get the news in broadcast form as seen through Canadian eyes. To move out of this field of news gathering would set news broadcasting back many years, placing us behind the B.B.C. and the American networks, all of whom have their experienced staff at home and in key capitals abroad.

In one respect we feel we are behind the times, in not covering our own capital as thoroughly as we should perhaps do. While the B.B.C., for example, does a very complete job of covering British parliamentary affairs with its own staff men, the C.B.C. is still largely dependent on free lance correspondents in Ottawa for our supplementary coverage. Indeed the B.B.C. has recently appointed an Ottawa correspondent who will shortly be establishing his office here.

Following on that statement, I would like to amplify some remarks I made at the meeting of the committee, I think it was, last Thursday. Some apprehension was expressed when I said I realized the dangers of our own personnel covering parliament. Let me make myself quite clear now, if I can. By that I did not mean that any of these so-called dangers lay in our staff not covering it properly. We have the highest regard for the ability and integrity of our news staff. Indeed many years ago when the C.B.C. news service first started, some people expressed fears about the corporation getting into the news business. The record over the years and the reputation, so we think, which the C.B.C. news has gained for itself has disproved those fears completely. I am aware that when we begin to do a much more thorough job of reporting parliament through our own staff we will be moving into a reasonably sensitive area. I can well imagine for instance a Member of parliament making a statement which he, himself, thinks is a very important one, not finding it covered in the C.B.C.'s report from parliament, and probably feeling that the news is not being properly reported. That is the sort of thing I mean. Those are the inherent dangers. Maybe it is not a particularly apt illustration, but it is the sort of thing I have in mind.

Now may I draw to your attention, Mr. Chairman, Mrs. Casselman and gentlemen, that that small staff which has been reporting the Ottawa scene so far has been doing a first-class job. Nevertheless I am quite confident that when we reach the stage of adding to our Ottawa staff with a parliamentary correspondent, the news will do just as able a job in this field as it has in others.

Mr. Chairman, that is my statement.

The CHAIRMAN: Are there any questions on the C.B.C. Ottawa news coverage?

Mr. McCLEAVE: Is it your intention, Mr. Bushnell, to promote someone from your present news staff or to choose someone from outside the organization? I hope it is the former.

Mr. BUSHNELL: I think we would prefer it that way.

Mr. McCLEAVE: You mean to choose someone from your own news staff?

Mr. BUSHNELL: Yes.

Mr. McCLEAVE: Thank you.

Mr. McGRATH: Is it your intention to have regional reporters or news reporters to report parliament on a regional basis to cover your networks?

Mr. BUSHNELL: Regional in the sense that they report only activities pertaining to that region?

Mr. MCGRATH: Relating to that region, yes.

Mr. BUSHNELL: I imagine that they will be doing just that, yes.

Mr. BELL (Carleton): I think Mr. Bushnell could go further than that.

Mr. BUSHNELL: Within the limitations of a good reporter; that is, within the limitations in the physical sense we will do it if we can. If it means putting half a dozen men on, we will have to take it into serious consideration.

Mr. FORTIN: Is it your intention to appoint a French-speaking reporter as well?

Mr. BUSHNELL: Yes sir.

The CHAIRMAN: Are there any other questions on the C.B.C. Ottawa news coverage?

Mr. BELL (Carleton): Mr. Chairman, I presume there will be an occasion further on after having examined the very important statement which Mr. Bushnell has made, when we will be able to return to it. Certainly I want to read it. I have not completely recovered from the misgivings which I expressed the other day.

The CHAIRMAN: That is right, Mr. Bell. We shall have an opportunity to return to it.

Mr. BUSHNELL: Mr. Pickersgill asked one other question with respect to the quantity of Canadian and international news, and also something, I think, about violence.

From Sunday, April 26, to Saturday May 2,—I am speaking only of what we call the national or 11 p.m. television news—the seven bulletins included a total of 97 items. Fifty-three, or 54.6 per cent of the items were Canadian; the rest, international.

The Canadian items took up 67.6 per cent of the total time represented by the seven bulletins.

On four of the seven newscasts, the lead items were Canadian news stories.

Of the total 97 items during the week surveyed, six were in the violence category: the building of the Norwegian ship in Vancouver harbour; a non-commuted hanging in British Columbia at Oakalla prison; the murder of an American negro charged with rape; a railway accident in British Columbia; a fire in Ottawa, and a fire in Newfoundland.

The news department from time to time checks on usage of news items and every time they have tested the content of news bulletins over a period of time it has run at about 50 per cent Canadian material, another 20 to 25 per cent American, a large part of which has special reference to Canada, and 25 to 30 per cent straight international news relating to developments or countries outside Canada and the United States. This applies in general both to radio and television.

The CHAIRMAN: Are there any questions on the 11 p.m. national news? If not, thank you, Mr. Bushnell.

Mr. BUSHNELL: Now, Mr. Chairman, I would like to call on Mr. Marcel Ouimet. On May 26, Mr. Tremblay asked concerning the date of the Teletheatre production cited in the answer submitted on costs of sustaining programs and the number of artists involved. This was the production of December 11, 1958. It involved 15 performers.

Some of these questions relate to programming and I would like our deputy controller of broadcasting, Mr. Marcel Ouimet, to present the answers for the corporation.

Dr. Fairfield asked for the cost breakdown of audience research bureau and total amount of payments to outside research firms.

I think I have covered Mr. Pickersgill's question and I think Mr. McGrath asked for the figures on the size of total audience for Peter Grimes.

I have with me tonight Mr. Ouimet who will be glad to answer these questions for you.

The CHAIRMAN: Would you mind repeating the question first so we can carry on.

Mr. MARCEL OUIMET (*Deputy controller of broadcasting, Canadian Broadcasting Corporation*): Dr. Fairfield on May 19, asked for the cost breakdown of the audience research bureau and total amount of payments to outside research firms.

I have a report which indicates that for the fiscal year ending March 31, 1958, audience research expenditures were \$273,000. Of this amount, \$79,000 was paid to commercial research firms either for regular rating surveys or for field work for special studies. Regular services accounted for \$45,000 while field work for special studies amounted to \$34,000. Salaries for audience research staff accounted for \$169,000 and travelling expenses \$14,000. Miscellaneous items such as printing and stationery, photographic and art work, papers, periodicals and books for the library accounted for the remaining \$11,000.

Mr. FAIRFIELD: What is the function of the audience research department?

Mr. OUIMET: Later on we can submit two documents which will give you a very good idea of the job which audience research is called upon to carry out. One of these describes the audience research bureau and it is available in the form of copies which can be distributed.

Mr. FAIRFIELD: Is this a typical bulletin of March, 1959, this audience research bulletin?

Mr. OUIMET: This is one of the bulletins which go out; but there are also some very much shorter studies than this.

Mr. FAIRFIELD: Is this a study? It gives no figures and no statistics. Who asked for it?

Mr. OUIMET: This is done generally when the need arises to find out about a certain program in particular, or other questions.

Mr. FAIRFIELD: There is no sense in doing anything which can be done just as well by other commercial firms.

Mr. OUIMET: The audience research bureau, if I may read to you concerning its organization and function, operates as follows:

The bureau of audience research will be responsible for conducting scientific research about the size, composition and characteristics of listening and viewing audiences, both English and French, across Canada and for investigating the reaction and preferences of the Canadian public about radio and television programs. It will also be responsible for special opinion and market surveys about broadcasting in Canada.

The bureau will act in an advisory and service capacity to management, the program division and other related divisions such as commercial, press and information, station relations and broadcast regulations—

To all intents and purposes this is what we call an analysis of the job to be carried on by the audience research bureau.

Mr. FAIRFIELD: According to this particular March bulletin there are some inferences which you got from the reports made by Elliott-Haynes, are there not? It says that it should come as no surprise to learn that most intensive use of audience research information in Canada is made in the Toronto area where television viewers may receive programs not only from the C.B.C. television network but from Canadian private stations as well.

Is this not merely a duplicate of what you can get from commercial firms at a cost of \$79,000, which is considerably less than the cost of \$273,000.

Mr. BELL (Carleton): Would Dr. Fairfield please identify the document to which he refers?

Mr. FAIRFIELD: I refer to the audience research bulletin put out in March 1959 by the audience research department of the C.B.C. at Ottawa. It is filled with platitudes—perhaps I should not say all platitudes; but from it one would get the suggestion that this material is covered by commercial firms.

Mr. OUIMET: I would not exactly say that. I would like to call on Mr. Trainor, either to confirm or to disagree. Mr. Trainor is here tonight. This was published as a sort of aid to the C.B.C. staff on how to make use of audience research.

The CHAIRMAN: Mr. Trainor would like to make some comments. I think he is in the audience research division.

Mr. FAIRFIELD: I have other questions to ask, Mr. Chairman. I would like to find out if there is any distribution of this to the sponsors of programs over the C.B.C.?

Mr. J. TRAINOR (Assistant to Director of Audience Research Bureau, Canadian Broadcasting Corporation): Sir, what do you mean by distribution to sponsors?

Mr. FAIRFIELD: I mean distribution of these audience research bulletins.

Mr. TRAINOR: This is for internal distribution only. The sponsors have to buy the same data that we buy. They may buy it, if they wish, from the advertising agencies.

Mr. FAIRFIELD: From whom would they buy it?

Mr. TRAINOR: From the same people we buy from. It might be Elliott Haynes, International Service Limited; the Bureau of Broadcast Measurement, or Nielsens.

Mr. FAIRFIELD: Well, you paid \$79,000 to commercial firms, according to this breakdown.

Mr. TRAINOR: Yes.

Mr. FAIRFIELD: And yet your own audience research bureau costs you \$73,000?

Mr. BUSHNELL: It is not only due to that. It interprets those for us and also does a multitude of other things. They do not just simply look at Elliott-Haynes, international surveys and Nielsen's. One of the reasons we set up this audience research was because we were getting conflicting reports from these organizations. We are trying to find out which is the better of the two. These figures which come from the survey companies vary widely. We have very exhaustive analyses made of them.

Mr. FAIRFIELD: Does the audience research bureau make any survey at all?

Mr. BUSHNELL: Occasionally; yes.

Mr. FAIRFIELD: How many on a vast scale?

The CHAIRMAN: You mean an audience program rating?

Mr. FAIRFIELD: Yes.

Mr. BUSHNELL: Let me give you a little illustration. I think a little over a year ago last winter there was a considerable difference of opinion over hockey right in this city as to which hockey game we should televise on occasion in Ottawa. Our audience survey department made quite an exhaustive study in Ottawa. It was only because of that that we came to the conclusion that the game from Montreal should be brought into Ottawa every other week. The game from Toronto, likewise. The audience research department is providing information for the engineering department. You will get a little bit of that

later when we come to a discussion of the distribution of programs and where they should go. They are doing a multitude of things besides just taking a look at these surveys. I might add that some program formats were changed because of certain findings which came from the research service.

The CHAIRMAN: Do the C.B.S., the National Broadcasting and the American can take full advantage of A. C. Nielsen and the other rating services in the United States or do they have their own type of audience research bureau? Do they have something comparable to what we have in Canada?

Mr. BUSHNELL: Very much so; but they cannot agree which is the best. There are about four methods over there. Some of them use Nielsen and some of them use some of the other organizations. They all have their own research departments. As a matter of fact if you read *Variety*, which is a trade magazine, you will probably see about seventeen conflicting statements in every issue.

Mr. BELL (Carleton): May I raise a question in connection with the conduct of the committee. When Dr. Fairfield was examining I was sitting across the table from him and I saw he had a bulletin called audience research bulletin with a large question mark on it. I had not yet had this at that time and then I was handed, by the official messenger for the committee, a memorandum which said, organization and functions of audience research. Then immediately subsequent to that I was handed the document which Doctor Fairfield had. I think we should have some idea of the place from which these documents come. I appreciate the problem, perhaps more than most, because I have had possibly more experience than anybody in the committee with the efficiency of the C.B.C. However I would like to have these identified before they are presented to us. I do suggest that someone should take the responsibility for these documents before they are presented to this committee.

The CHAIRMAN: I was under the impression that this audience research bulletin had been distributed two meetings ago. I was entirely wrong on that.

Mr. BELL (Carleton): I think you must have been.

The CHAIRMAN: Mr. Bushnell, Mr. Trainor, or Mr. Ouimet, would you like to identify these?

Mr. BUSHNELL: I think Mr. Trainor can answer this.

Mr. BELL (Carleton): I just wanted all these documents identified.

Mr. TRAINOR: First, the audience research bulletin is something which the division issues once a month in French and English, summarizing the activities of things going on in research in the audience research division and in outside organizations in an attempt to keep the staff up-to-date on research matters. This particular issue was given you just to show you the various types of surveys which are available. If you read it closely, you will see why we measure audiences, then how they are measured and the various methods. Some are done by telephone coincidentals, some by recall method, some by diary panels and others by diary panels with electronic control. This particular bulletin is to instruct and explain further to all our people throughout the corporation the type of services we are buying.

The CHAIRMAN: Which cost you \$79,000?

Mr. TRAINOR: The regular rating services cost us \$45,000. In addition to that, on a specific occasion, we may have to measure a program which is not being measured in the normal measurement and this will cost anywhere from \$1,000 to \$3,000.

The other document is the organization and functions of audience research. It briefly outlines what the head office function is, the director's office, the three departments and the statistics department with which I think Mr. Bushnell indicated you will be dealing later. When you get to engineering, you will see

the various ways the engineering and commercial divisions use the statistics department. The analysis and reports department primarily is concerned with taking the data we receive on a monthly basis, comparing the various reports, developing trends, and issuing information throughout the corporation on this.

Mr. BELL (Carleton): Has the chairman had an opportunity of reviewing this memorandum.

The CHAIRMAN: You mean the organization and functions of audience research.

Mr. BELL (Carleton): Yes.

The CHAIRMAN: No.

Mr. BELL (Carleton): Do you recommend that this be included as an appendix?

The CHAIRMAN: I would suggest all these documents with the exception of this audience research bulletin be printed as an appendix, if it is agreeable.

Mr. BELL (Carleton): If it is recommended by the chairman.

The CHAIRMAN: Is that agreeable?

Agreed.

Mr. TRAINOR: The research projects department is pretty well outlined in the first sentence. This department is responsible for the planning and execution of special studies of various kinds in an attempt to learn more about the impact and effects of radio and television broadcasting and the nature and behaviour of audiences of different kinds.

I mentioned earlier that we occasionally get some field work done by the commercial research firms. As a rule, we do not go out and do our own field work. For one reason it is too costly on a nation-wide basis; secondly, if we do the field work the sponsor and the advertising agency may say you did the work yourselves and it is biased. Therefore, we hire outside firms and it is unbiased.

The CHAIRMAN: Do you still belong to the bureau of broadcast measurement?

Mr. TRAINOR: No.

The CHAIRMAN: Did you at one time?

Mr. BUSHNELL: We did, yes.

The CHAIRMAN: Why did you discontinue that?

Mr. BUSHNELL: We felt it was rather costly. We thought that the B.B.M. at that time were not quite what we thought they should be. May I say this, that I think the C.B.C. was largely instrumental in setting up the B.B.M. It certainly paid a very large proportion of the cost. However, when it came to the point where we were not receiving the information that we felt was necessary, obviously, and I think quite properly, we just said, "Please excuse us, gentlemen; we can get the information from other systems." We just called it quits.

Mr. PRATT: I would like to suggest, Mr. Chairman, that both radio and television are very lucky in so far as the nature and behaviour of audiences is concerned, when you compare it to the old live theatre where the nature and behaviour was very pregnant and very present in the flesh. I hope we will be able to devise some system by which we can get a more accurate count of what people are thinking.

Mr. BUSHNELL: We are interested in the quality of audience reaction and listener reaction.

Mr. PRATT: Did you ever use what is known as a "flush system"?

Mr. BUSHNELL: Did you say "flush system"?

Mr. PRATT: Yes.

Mr. BELL (*Carleton*): That is a dangerous system to pursue.

Mr. PRATT: Numbers were counted in the audience by pressure on the local city water supply during the commercials.

The CHAIRMAN: That was merely during the commercials.

Mr. MCGRATH: To add a footnote, they use this in Chicago, where they have sewage problems. Who was the head of the audience research bureau?

Mr. BUSHNELL: Mr. Neil Morrison, who has been seconded to the British West Indies Federation to help them establish a network service in that particular area. He has been loaned by the corporation at the request, I think, of people connected with the Colombo plan, to help them out.

Mr. MCGRATH: Is your audience research bureau situated in Ottawa?

Mr. BUSHNELL: Yes, with branch offices in Toronto and Montreal only.

Mr. MCGRATH: Well, the heads of your branch offices in Montreal and Toronto would be known as audience research supervisors?

Mr. BUSHNELL: Yes.

Mr. MCGRATH: I would like to get back to the cost of this audience research bureau's services to the sponsor. Did I understand correctly a few minutes ago that you made the point that this is charged to the sponsor because you felt your method was a more reliable one?

Mr. BUSHNELL: No, I do not think that was the case.

Mr. TRAINOR: The sponsor has to pay for the same ratings we provide, but he pays the research house.

Mr. MCGRATH: You do not realize anything back?

Mr. TRAINOR: We do not give our information to the sponsor at all.

Mr. MCGRATH: It is for your own administrative use?

Mr. TRAINOR: Yes.

Mr. BUSHNELL: Except administrative charges, and they are included.

Mr. MCGRATH: Do we have a breakdown in connection with the organization of the audience research bureau?

Mr. BUSHNELL: I think it can be provided.

The CHAIRMAN: I do not think we have that available yet.

Mr. BUSHNELL: Not in chart form at least.

The CHAIRMAN: Could we have that provided?

Mr. BUSHNELL: Yes.

Mr. FAIRFIELD: I wanted to ask this question, Mr. Chairman. When they are making these surveys, what method do they use, the diary method or telephone method? You certainly do not use electronics.

Mr. TRAINOR: It depends on the commercial research firm that is doing it. Elliott-Haynes Limited uses a telephone coincidental method. They call up people and ask if they are listening.

International Surveys use a fixed diary panel and they record a week's viewing and listening pattern. A. C. Nielsen uses a fixed diary panel and they have an electronic device attached to each set in the home and in that way they compute the time it is turned on.

Mr. FAIRFIELD: You say you are dissatisfied at times with the statistical research these commercial firms give to you.

Mr. TRAINOR: Often they do not come out alike.

Mr. FAIRFIELD: But in your March report you say that the results were reported to be identical between telephone and diary.

Mr. TRAINOR: Which page?

Mr. FAIRFIELD: It says the American research bureau, which uses the diary technique in the United States recently ran a checking experiment in eight cities and A.R.B. used the telephone coincidental technique to check on the diary results for the same period.

Mr. TRAINOR: What page are you on?

Mr. FAIRFIELD: Page 8 of the March report. The reports were reported to be practically identical.

Mr. TRAINOR: You should read the final sentence which says that ideally, of course, the check should have been carried out by a disinterested survey organization. A.R.B. was trying to prove something, and this is why you place a reservation on it.

Mr. FAIRFIELD: Are you a disinterested organization when you do it with an audience research bureau?

Mr. TRAINOR: No, this is not so.

Mr. FAIRFIELD: I know this is the American research bureau, but you printed that in your bulletin. You say that these results are practically identical; you say you are a disinterested corporation but cannot trust these commercial firms, and yet you do not distribute this pamphlet to sponsors or other people.

Mr. TRAINOR: This is not a report of our results; it is not our statement. This is their statement. We did not have the raw data to work with at all. We are giving out what has been reported to us so that people may weigh it for themselves.

Mr. FAIRFIELD: What then have your findings been?

Mr. TRAINOR: We have not looked at this; we have not done this sort of check.

Mr. FAIRFIELD: You do not carry on statistical surveys?

Mr. TRAINOR: Not as such, no.

Mr. FAIRFIELD: In other words, if you have to trust the commercial firms to a great extent; is that correct?

Mr. TRAINOR: I think if you go to the second last paragraph of the last page you will note this:

No single technique now being used provides all the measurement data that broadcasters, researchers, sponsors, advertising agencies and others would desire. As seen, each has its advantages and disadvantages. Competitive situations tend to create a demand for quick returns, thus placing emphasis on the telephone-coincidental technique. In the U.S.A. this demand for immediate results has led to the development of "instantaneous" rating techniques. Both A. C. Nielsen Co. and American Research Bureau have in operation elaborate electronic devices which provide audience-size data for limited areas delivered the morning after the program being rated.

To eliminate all biases, apparatus would be required which would record on film the number of persons listening or viewing a set and the degree of their attentiveness as shown by their activities, facial expressions and exclamations. This technique would not only be impractical on the grounds of expense but would be repugnant to most people as an unwarranted invasion of the privacy of their homes.

This covers the whole thing. Each one has its advantages but it has counteracting disadvantages. If we want quick returns, we use the Elliot-Haynes method because it is cheaper today than the fixed panel, but if we want more exact data we feel we can get it from the panel method.

Mr. FAIRFIELD: What is the function of the audience research bureau then? If they find out something and this information is given only to the C.B.C., what is its function?

Mr. TRAINOR: It is a service to the corporation.

Mr. FAIRFIELD: Why?

The CHAIRMAN: For unsponsored shows?

Mr. TRAINOR: For both, but it goes to the production people as well; it is not just for head office.

Mr. KUCHEREPA: I would like to pursue this further. The witness says this provides a service. We have heard from the beginning of the hearings that there are programs which are designed not for the majority of listeners or the large audiences, and there were variations in the programs. We certainly find ourselves going into great detail in how to obtain ratings, but when we get them we turn around and take programs which we sell out to advertisers at a charge which is less than the cost to produce them. What is the main purpose of going to all these extremes when we have a commercial house which can produce this information for use? Why should we spend all this money when we have a policy which was laid down at the beginning of the session whereby we are not concerned necessarily in having large audiences as much as we are concerned with carrying out certain fundamental recommendations in connection with the question of giving vast coverage to a vast number of differing individuals and groups.

Mr. BUSHNELL: Let me put it to you this way. We are concerned with the size of any audience for any broadcast, any television or radio broadcast. May I just give you a good illustration? The program Folio has been spoken of on more than one occasion in this committee. At one time it was thought that Folio had a very small audience, comparatively, and probably we should discontinue it, in spite of the fact we felt we were serving a specialized group of listeners—let us put it that way; I hate to refer to a "minority audience", because any audience of half a million is not a minority, in my opinion.

In 1957, on November 7, on Folio we had, persons viewing, 580,000. On December 5 of 1957, we had an audience of 510,000, approximately, in round figures. In 1958, on January 16, we had for the opera Tosca, 488,000. On February 6, for a drama called The Concert, we had an audience of 779,000. The average for 1957-58 was 589,000. That is a pretty big audience.

What happened this year? We changed the pattern a little bit, and on November 25 we had 1,586,000 viewers. On January 6 we had 1,310,000; on February 3 we had 1,230,000, or an average for 1958-59 so far of 1,293,000.

Mr. BELL (Carleton): What do you mean, you "changed the pattern a little bit"? I am afraid you mystify me on that.

Mr. BUSHNELL: Probably, Mr. Bell, we were not putting on quite such—some people have described them as esoteric programs. We made them just a little more earthy. One we put on was Honey and Hoppers; the other was The Peace and Plenty, and Tosca is a pretty well known opera. Another thing I would like to comment on also. These matters were discussed—as Mr. Jennings mentioned—with the program committee of our television affiliates, and they registered some protest about the hifalutin tone that was being given to Folio and said, "For goodness sake, change it." I remember one gentleman out in Regina said, "Look; if you do not change that, I am going to stop carrying it, because these plough jockeys out here cannot understand it". Those were his words.

The CHAIRMAN: Did you get this information on Folio from any commercial firm, such as Elliott-Haynes?

Mr. BUSHNELL: Definitely.

Mr. KUCHEREPA: Where would you get the extra viewers outside of, perhaps, fringe areas in the United States? Where would they come from? Would they just put on their sets for the first time to see these programs?

Mr. BUSHNELL: Not necessarily. So we could assume, I think—or anyone could assume—that the programs themselves had become more interesting and, instead of shutting the darn thing off, they looked at it.

There is one little illustration. I was looking through some of these ratings the other day—and I hope no one will misunderstand me if I use the city of Sudbury as an illustration—and to my very great surprise, Folio in that particular week had a bigger audience than N.H.L. hockey, boxing, wrestling and half a dozen of the most important United States imported programs.

Mr. PRATT: Do you recall the subject?

Mr. BUSHNELL: No, I do not. I can find out for you, though.

Mr. CHAMBERS: These statistics quoted were gathered for you by the commercial firms; is that correct?

Mr. BUSHNELL: That is right.

Mr. CHAMBERS: You stated, I believe, that the cost of this was about \$79,000 a year?

Mr. BUSHNELL: That is right.

Mr. CHAMBERS: This, it would seem to me, justifies that expenditure; but I have not yet got through my mind the reason for the \$200,000 that is spent for the internal research bureau—what it does. What do you get for that?

Mr. BUSHNELL: Probably it would be better if we actually just sat down and gave you a very short statement on it—what one might call almost a job spec, and show you the chart.

Mr. CHAMBERS: I have not had time to read it yet.

Mr. OUILMET: I think you get a better idea in this statement here, Organization and Functions of Audience Research.

The CHAIRMAN: I think we did agree that you are going to supply an organizational chart of your group.

Mr. FAIRFIELD: As I see it, with an analysis in the research department, its major function is to analyze audience size and ratings supplied by audience measurement firms. This seems to be a rather big department, to analyze whether a program is very good or very bad, does it not?

Mr. BUSHNELL: It may seem that way; but actually statistics are difficult things with which to deal, and it requires specialists to do that. And it has all got to be typed, probably.

Mr. TRAINOR: These reports we get from the commercial research firms, we do not get a sufficient number of copies to disseminate to everybody in the corporation that requires them, and most of them are drawn up in such a way that most of us, who do not understand statistics, could not understand them anyway. They have to be analyzed and interpreted. You say, "a big department"—there are four or five people in it.

Mr. MCGRATH: I understand that at the next meeting there will be a chart presented of the audience research bureau and there will be explained at that time the function and organization of this particular department?

Mr. BUSHNELL: Yes.

Mr. MCGRATH: There is one question, that may or may not be related; but I should like to clear this up. What is the relationship of the audience research bureau with information surveys?

Mr. BUSHNELL: There is no direct relationship, other than this, that if the department of information wishes to have some information on the work that it is doing—I will give you an illustration; probably a simple one: last year the information department turned out a very, very small—a miniature—annual report, and we wanted to find out how that was received.

We went to audience research. We got our people busy on that, and we found out it had been extremely well received. So this year we are modifying in form our annual statement and using more of the small brochures that go to, I am told, 200,000 people.

Mr. McGRATH: May we perhaps carry that question to a logical conclusion by having an explanation of just exactly what are the functions of the information services?

Mr. BUSHNELL: Yes; I think it can be summed up rather briefly. The function of information services is to provide information to various publications, to publicize the work of the corporation and to publicize programs and artists.

Mr. McGRATH: Promote programs?

Mr. BUSHNELL: Yes, very definitely; that is their big job. You might be, as I say, indeed pleasantly surprised to find how much space we have actually received for our artists. We are promoting Canadian artists all the time. We send out photographs. Furthermore, we promote them on our own facilities and that work is all done by the department of information.

Mr. McCLEAVE: I have a question here that has been suggested by a member outside the committee. Has any thought ever been given by the Canadian Broadcasting Corporation to using the facilities of the dominion bureau of statistics on audience research?

Mr. BUSHNELL: We call on D.B.S. very frequently for information.

Mr. McCLEAVE: For what type of information do you call upon them?

Mr. BUSHNELL: Probably Mr. Trainor can give us that.

Mr. TRAINOR: We call on D.B.S. for a lot of economic data, for all data we want to use and analyse. For instance, I think in terms of advertising customers, T.V. home use, sales of sets, growth of T.V. home use and this sort of things.

Mr. McCLEAVE: You do not call upon them for anything in the line of program surveys?

Mr. TRAINOR: Actually take the surveys for us?

Mr. McCLEAVE: Yes; that is right.

Mr. TRAINOR: No.

Mr. McCLEAVE: A particular program, for example?

Mr. TRAINOR: No; I do not think they are organized for it and I doubt very much if they would.

The CHAIRMAN: The point is you do not ask them?

Mr. TRAINOR: No.

Mr. McCLEAVE: That is exactly the answer I would expect. I think I would like some elaboration on it.

The CHAIRMAN: All right; would you continue on that point as to the position of the bureau?

Mr. McCLEAVE: And as to why they would not expect D.B.S. to do that?

The CHAIRMAN: Have you any thoughts on that Mr. Bushnell, or Mr. Trainor.

Mr. BUSHNELL: Well, we will pursue the matter further. Perhaps we have been a little remiss in not doing it before.

The CHAIRMAN: Would it be agreeable, Mr. McCleave—

Mr. BUSHNELL: I doubt if they have the facilities to do that.

The CHAIRMAN: Would it be agreeable if some time before the next meeting the C.B.C. got in touch with the bureau and see if there is any way they could be assisted?

Mr. FAIRFIELD: I wonder, Mr. Chairman, if in view of the fact that we have just got this organization and function of audience research pamphlet, whether we could not adjourn this discussion and come back to it later?

The CHAIRMAN: I think that is a very sensible suggestion, Dr. Fairfield. Mr. Tremblay you had a question. You did not quite finish your question this morning.

Mr. DORION (*Interpretation*): Mr. Chairman, I would like to know to what extent this research bureau extends its activities. Does it concern only the commercial or sponsored programs or does it include all programs.

Mr. BUSHNELL: It includes all programs sir.

Mr. DORION (*Interpretation*): Mr. Chairman, I saw in the list of your sponsors, names which constantly crop up and I do not need to quote these names because we have them before us. I would like to know if the choice of these commentators is the result of the inquiries made by the research bureau?

Mr. OUIMET: Mr. Chairman, I believe he said sponsors first and then commentators.

Mr. DORION (*Interpretation*): Well, in the original interpretation and in the second, I said commentators.

Mr. OUIMET: Could he have the answer?

The INTERPRETER: Would you like me to read the whole thing?

Mr. BUSHNELL: Yes.

The INTERPRETER:

I would like to know to what extent this research bureau extends its activities. Does it concern only commercial or sponsored programs or does it include all programs?

And the second question, following my first interpretation:

I saw in the list of your sponsors names which constantly keep cropping up. I do not need to quote them because we have them before us. I would like to know if the choice of these commentators is the result of inquiries made by that bureau.

Mr. BUSHNELL: Not necessarily so.

Mr. DORION (*Interpretation*): Well, Mr. Chairman, to follow up your answer, Mr. Bushnell, I would like to know who has the responsibility to choose these commentators who are always the same people with the same ideas and with only a slight variation in the presentation?

Mr. BUSHNELL: Well, Mr. Dorion, I am afraid I cannot quite accept the second part of that. I do not think they are always the same people with the same ideas.

Let me answer the first part of it for you if I can and say that the selection of speakers is made by our various officials, from the program director down, from the director of programs down to the program director in any area, down to the talks and public affairs department.

A great many people are consulted about the commentators that are used.

Mr. DORION (*Interpretation*): Well, Mr. Chairman, I am sorry Mr. Bushnell, but in looking through the list that you gave me, which merely is for January 1958 I see the people are all of the same school of thought, roughly

speaking, with only rare exceptions. Therefore, there is someone responsible for the choice. There is a very marked tendency which denotes that all opinions are not able to be voiced. Who is responsible? I want to know the names of those people responsible at any rate for the French language section and I want to know the function or tasks of those people also at least for the French network section anyway.

Mr. BUSHNELL: Would you be satisfied if I—

Mr. FAIRFIELD: I think on a point of order, did we not decide that we were not going to bring in names of personalities, because after all the primary responsibility rests with Mr. Bushnell?

The CHAIRMAN: Are you speaking on a point of order, Mr. Tremblay?

Mr. TREMBLAY: Yes.

(*Interpretation*): Well, Mr. Chairman, I cannot at all agree that we must necessarily ignore the names of certain personalities involved. The C.B.C. is not a firm or organization, which merely administers the material aspects; it is also of a moral and intellectual character. So the chairman or vice-chairman or president or vice-president cannot accept all the responsibility in regard to the intellectual and moral aspects; so we must have the names of the people who absorb a very big part of public opinion as far as the C.B.C. is concerned.

The CHAIRMAN: Mr. Dorion, are you on a point of order?

Mr. DORION (*Interpretation*): Mr. Chairman, yes, this is on a point of order. To follow up what my very fine friend from Roberval said, we are in the presence of obvious discrimination. There is no need to analyze in detail the list which was shown to us to see we are faced with an organization which has continually and permanently resorted to the same school of thought. It is becoming a scandal, to say that the senior officials of the C.B.C. are to be held totally and wholly responsible. There are names of what we might say are "back room boys", if you like, who have authority, who are responsible, even though they are back room boys, to use my expression, and we should know who they are, in order to make the necessary recommendations.

The CHAIRMAN: On the point of order, gentlemen, I revert, once again, to our original thinking, that of the entire committee, that we would not get down to the personnel in the lower echelon of the C.B.C., to ask for names, personalities, personal likes and dislikes; but I would suggest this to Mr. Tremblay and Mr. Dorion, that when the report to parliament is made of this committee, if they wish to make recommendations to parliament—who, in turn, will make recommendations to the C.B.C.—I do not see any reason why such a recommendation could not be made. However, I still feel that the committee will go along with me on the original decision, that we will not get down to individuals and personalities.

Mr. CHAMBERS: On this point, Mr. Chairman, we have established that the division of research is responsible for research. There are some areas in the C.B.C. where we have divided administrative functions. I am certainly not interested in names, but it seems to me we have a right to ask what division, what office is responsible—

The CHAIRMAN: Yes, we have that right.

Mr. CHAMBERS: —what office is responsible, in this case, for the choice of commentators. I do not think it is quite enough to say it is the entire C.B.C. There must be someone from day to day who does the planning in the talks department in French. I do not want to know his name, but if we can be given what position in the C.B.C. has this responsibility, we would be satisfied.

The CHAIRMAN: Mr. Bushnell, is someone responsible for that particular aspect?

Mr. BUSHNELL: Someone would be mainly responsible; but I think you will agree with me that it would be very wrong indeed to give anyone the full responsibility, to allow him to run loose, making whatever choices he likes, without having to report to somebody else. Therefore, I do not think you can suggest that there are one, two or three persons in this particular department, who are the only responsible persons.

The CHAIRMAN: Mr. McCleave, and then Mr. McGrath.

Mr. McCLEAVE: We have heard several times now, since our meeting started from our cohorts from the province of Quebec that they suspect there is a certain school of thought which is having its viewpoint presented on commentaries in the province of Quebec, and there are others that are not. I do not know what these schools of thought are in Quebec—whether economic or political, or heaven knows what. I think we should not cavalierly brush aside the complaints of these gentlemen, or leave it as a statement that it is one officer or one office who is choosing these commentaries.

I think, for their part, they should present to us a breakdown of the programs which displease them, whether they think it is 50 per cent or 60 per cent of opinion, one way or the other; and then let Mr. Bushnell deal with it concretely. But I think we should go through it further than we are doing tonight.

Mr. MCGRATH: Mr. Chairman, I have what may be an answer to it. Surely, as we go along in our examination of the various departments of the C.B.C., it will become clearer, as we proceed, who is responsible for what particular function of the operation. In other words, I think we are jumping ahead of the gun. For example, we were on audience research. To my mind, the discussion now is not exactly related.

Perhaps if we could dispense with audience research, as was suggested, until next week when the organizational chart is presented, this department could be more clearly defined and explained to us. Now we might proceed with another department of the C.B.C. which is related in a way, and that is, the department of public relations. As we go to the various other departments, these queries and questions will make themselves known.

Mr. BUSHNELL: If my memory serves me correctly I think we had asked Mr. Marcel Carter to give you, in response to Mr. Chambers' request—

Mr. CHAMBERS: It was my request I believe.

Mr. BUSHNELL: Yes, your request and Mr. Fortin's request; and I think he had only got nicely started when something intervened.

I think, if you permit, that this explanation of the organization and how it operates should be taken up again because it might remove some of the areas of doubt which seem to exist at the moment.

The CHAIRMAN: Could you run down particularly the French network on the organizational chart? I think that would get us closer to what we want. Please proceed, Mr. Fortin.

Mr. FORTIN (*Interpretation*): Mr. Chairman, to refer a little to what Mr. McCleave said, what we want to know is of course who chooses the sponsors appearing on television.

The CHAIRMAN: Just a minute, please. Quiet, gentlemen. We cannot hear up here.

Mr. FORTIN (*Interpretation*): We want to know who chooses the commentators appearing on television whose names appear on the list we have before us. I think the committee is entitled to hear this individual. So I ask

Mr. Bushnell or Mr. Carter to agree that the person involved who chooses those commentators or sponsors to make it known to him that he should come and testify before us.

Mr. BUSHNELL: Which program do you have in mind?

Mr. FORTIN (*Interpretation*): The one responsible for selecting the commentators whose names appear on this list that we have in hand. I mean the French network commentators, on the French network 1958, from Monday through Friday.

The CHAIRMAN: You wish to have what?

Mr. FORTIN (*Interpretation*): I wish to have appear before the committee as a witness the man who was responsible for selecting the commentators whose names appear on the list.

The CHAIRMAN: If I understand it, Mr. Bushnell just replied that there is no one man. Would you go along with that, Mr. Bushnell?

Mr. BUSHNELL: Well, I am not dodging the issue at all, or I am trying not to. It is a plain matter of record, a matter of fact, that no one individual either in the English language or the French language selects these commentators.

Let me give you an illustration. Right here in Ottawa, for example, we have a representative of the talks and public affairs department. Toronto wishes to have a member of the parliamentary press gallery speak on some subject. They refer the matter to their representative in Ottawa who sends back to Toronto a suggested name. The suggestion of the man on the spot would obviously carry weight. So there again you have that sort of divided responsibility.

Mr. FORTIN (*Interpretation*): Yes, that may be. But I believe this is a little different, though. These programs have been prepared long in advance. I imagine that the producer has been asked to prepare these programs, and he has also been given authority to invite commentators to appear on the program.

Mr. OUIMET: These programs are not prepared long in advance. This particular series referred to was one not carried on television but actually carried on radio. It follows the news at 10.10 every night. If you noted it by subjects you would see that we are trying in this series as much as possible to get as close as possible to factual news, the factual analysis of the news.

Mr. TREMBLAY (*Interpretation*): Well, Mr. Chairman, I am quite in agreement with my colleague, Mr. Fortin. I want to know who chooses these individuals because, as I said, we feel we are involved in a kind of ghost race. It is passing the buck. And then, coming back to Mr. Bushnell, he makes excuses for so and so. What we want to know is who is the real responsible person, or persons, in the C.B.C. upon whom the responsibility must truly be held to lie.

Take the example of the commentary on radio services. Who chooses these people? Just now they spoke of a research bureau. Who is it, for example, who decides over the years who will maintain a continuity of a certain type in French which is not in the public interest or in the public taste as, for instance, in the case of the Plouffe family programs?

Mr. BUSHNELL: About five minutes ago I suggested we allow Mr. Carter to continue with his statement which he merely began the other day. With the chart I think we can clear up a lot of these questions in your mind. Is it agreeable to allow Mr. Carter to go along and then if you wish you may question him on any point?

Mr. FORTIN: I believe it was said this morning by Mr. Bushnell that he had obtained an answer to the question I put on May 28 concerning the breakdown of the cost of a certain production. You told me this morning you had the figures available.

Mr. BUSHNELL: All right.

The CHAIRMAN: After these are distributed, then Mr. Carter will continue with his statement.

Mr. McCLEAVE: Mr. Chairman, have you seen this copy?

The CHAIRMAN: I have seen it right now. It is being distributed.

Mr. McCLEAVE: Some day they will put in a script of a new program and it will become part of the record before we know it.

The CHAIRMAN: The cost is \$84,453. That will identify it.

Mr. MARCEL CARTER (*Controller of Management Planning & Development, Canadian Broadcasting Corporation*): Mr. Chairman, the other afternoon I had started to speak on the method of establishing staff requirements for television operation. I had indicated that the number of staff required for a live television production is directly related to the program planning for each and every show, and that the total staff required for a show depended on the results of the load of production at that location, in terms of live production naturally. In addition to the production staff required, there are auxiliary services which are needed at each location, such as accounting, personnel, publicity, and so on.

Here I would like to explain how we go about determining the staff required on a live television production and how that is built up. The planning of a program starts with an idea. Once the idea is approved, a scenario, and eventually a script, is produced. Mr. Fortin asked a question in relation to that. I think that was the point we were at when the bell rang the other day. Mr. Fortin asked where the program would originate. I indicated it could originate from one of the specialized departments such as talks, children's broadcasts, farm broadcasts and so forth. Also, it may come from a text that is submitted from outside the corporation. We do not accept ideas solely from within the corporation.

Mr. FORTIN: My question was if the idea comes from outside, to whom is it first conveyed? That is my question.

Mr. CARTER: It all depends on its nature, sir. If an idea comes within a specialized area of broadcasting, it will probably be directed to the specialized department concerned with that particular area. I also indicated to you that if it comes from an advertising agency or a sponsor it is quite likely it would come in through our commercial department. Does that answer your question?

Mr. FORTIN: Yes.

Mr. TREMBLAY (*Interpretation*): I have a question for Mr. Carter. You spoke of a script bureau. Is there a body which is supposed to discuss and approve scripts?

Mr. CARTER: There is a script bureau which in French we call service des textes. The responsibility of this department is to deal with authors and also to secure the help and assistance of play readers who are hired from outside. These play readers are selected from among established authors and script writers. They will review a script for the corporation and give an opinion. It is the responsibility of the script bureau to assess that report and possibly to review the text themselves.

One of their important functions is to try to develop authors. We have a shortage of texts, both in English and in French. As you must have noticed, very often we adapt plays and stories that are already existing. We do not have an overwhelming quantity of material which is prepared especially for television. The script bureau has that function; also, it will negotiate terms with authors once we have decided to accept the play.

Mr. TREMBLAY: How many members are on the script bureau?

Mr. CARTER: Offhand, I could not give you the number of employees, but I can get that information for you.

The CHAIRMAN: Would you find that out for Mr. Tremblay?

Mr. CARTER: Yes, I will.

The CHAIRMAN: Gentlemen, inasmuch as our translator had to report back to the house, may I suggest that this meeting be adjourned until 9.30 on Thursday morning. We will continue with the same witness as we are now questioning. Is that agreeable?

Agreed.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE
COMMITTEE'S PROCEEDINGS CONDUCTED IN
THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS
DU COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

Comité de la radiodiffusion, 2 juin 1959.

(Page 234)

M. TREMBLAY: Monsieur le président, je serai très bref, je n'ai pas l'intention de faire de déclarations comme on me l'a reproché l'autre jour.

Je voudrais savoir quelles sont les raisons qui motivent la décision du comité consultatif.

* * * *

M. TREMBLAY: Oui, monsieur le président, j'accepte la remarque générale qu'il n'est pas question d'entrer dans le détail et de faire la cause de certaines personnes, etc., mais je pense que, dans les circonstances, la question est assez grave pour que nous obtenions le rapport détaillé que j'ai demandé l'autre jour. Il ne s'agit pas de désigner des coupables, mais, comme l'administration de Radio-Canada nous paraît être une chose extrêmement compliquée, pour ma part en tout cas, je ne me contente pas de l'aveu que nous a fait l'autre jour M. Bushnell que c'est lui, le président ou le vice-président, qui en sont responsables et qui en prennent toute la responsabilité. Cela, c'est une excuse assez facile et qui ne rend pas compte des faits.

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M. FORTIN: Monsieur le président, tout d'abord je dois vous dire immédiatement que je partage l'avis de mon collègue M. Tremblay à ce sujet-là. Maintenant, je crois, en suivant la suggestion que vous faites, que nous faisons fausse route. Ce n'est pas le député de Roberval (M. Tremblay), ou le député de Montmagny-L'Islet ou un autre qui veut avoir l'information, c'est le public. Nous sommes ici tout simplement son interprète, et c'est pourquoi, si Radio-Canada est disposé à donner l'information à un individu, elle doit la donner à celui qui paye, soit le peuple en général.

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M. FORTIN: Quand le rapport sera-t-il soumis? Il y a déjà au delà d'un mois qu'il a été demandé?

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M. TREMBLAY: Monsieur le président, je consens bien à différer jusqu'à la présentation de ce rapport les questions que j'avais l'intention de poser à ce sujet-là, mais, avant de passer à autre chose, je voudrais faire une proposition. Je voudrais demander à monsieur le président, et à M. Bushnell, s'il est possible que M. Alphonse Ouimet soit appelé devant le comité?

* * * *

M. FORTIN: Monsieur le président, à la suite de la demande qui a été faite par M. Tremblay à la dernière séance, j'ai ajouté une question, et je demandais à Radio-Canada de nous donner un détail du coût de production de l'émission "La plus belle de céans". Je me demande si le vice-président est prêt à nous donner ce détail ce matin?

* * * *

M. BRASSARD (*Lapointe*): Monsieur le président, je veux, au tout début, dire que je regrette énormément, moi aussi, que M. Alphonse Ouimet ne puisse venir répondre à nos questions, soit aujourd'hui, soit dans un avenir plus ou moins rapproché, parce que je suis certain que si M. Ouimet,—même si M. Bushnell d'ailleurs, l'a remplacé avec beaucoup de compétence, si M. Ouimet était venu ici devant nous, sa longue expérience dans le domaine de la radio et de la télévision aurait servi à dissiper plusieurs fausses impressions que plusieurs députés ont en marge de Radio-Canada.

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M. TREMBLAY: M. Brassard pourrait-il s'expliquer davantage?

Mr. BRASSARD (*Lapointe*): Excusez-moi, j'ai la parole. Comme deuxième point, je crois que tous les députés ainsi que le public, sont d'avis que Radio-Canada peut commettre des fautes, qu'elle a été faible et qu'elle en a commis, mais il faut se souvenir ...

Est-ce que je pourrais continuer?

* * * *

M. DORION: Monsieur le président, je ne sais pas si je suis tout à fait dans l'ordre, mais avant que nous commençons le témoignage de M. Bushnell, je voudrais présenter certains points sur lesquels, quant à moi, je voudrais obtenir des renseignements.

Premièrement, je suis informé que des textes auraient été préparés à plusieurs reprises depuis un certain nombre d'années, textes pour lesquels Radio-Canada aurait payé, et qui n'auraient jamais été utilisés. Alors, je voudrais que l'on me fournisse des précisions sur ce qui s'est passé dans ce domaine,—si mes renseignements sont exacts,—depuis cinq an, soit le nom des auteurs de ces textes, les montants qu'ils ont reçus, et pourquoi ces textes-là n'ont jamais été utilisés, ce qui serait, à mon avis, une dépense absolument inutile.

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M. DORION: Le deuxième point, monsieur le président, sur lequel je voudrais avoir des informations, aurait trait aux relations de France-Film avec Radio-Canada.

Je voudrais savoir s'il n'est pas arrivé, disons depuis cinq ans, et je voudrais avoir des précisions à ce sujet-là, que des artistes étrangers aient apparu à des programmes de télévision à Montréal, payés par Radio-Canada, artistes qui auraient été invités ensuite, ou avant plutôt, par France-Film, et que France-Film aurait ensuite utilisés pour ses propres services à des conditions beaucoup plus avantageuses? Et, sur ce point, je suggérerais que M. Jean-Paul Lepailleur soit invité à comparaître et à témoigner.

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M. TREMBLAY: Monsieur le président, je voudrais poser une question supplémentaire à M. Dunsmore au sujet des agences de publicité.

J'ai demandé, le 26 mai 1959, la question suivante:

Est-ce que les agences de publicité, ou les commanditaires, ont fait des représentations à Radio-Canada dans le but de demander que les chiffres que le comité demande ne soient pas révélés?

Et mon collègue, M. Dorion, a demandé la question suivante:

Est-ce qu'il y a dans les contrats conclus entre la Société Radio-Canada et les commanditaires, une clause à l'effet que les chiffres que le comité demande ne soient pas divulgués?

J'ai posé cette question le 26 mai 1959.

M. Dunsmore a déposé tout à l'heure certaines lettres en date du 27 mai 1959. Est-ce que,—et je répète ma question,—il y a eu, soit en 1957 ou en 1958, ou avant le 26 mai 1959, des représentations faites par les commanditaires à l'effet que Radio-Canada ne divulgue pas les chiffres que réclame actuellement le comité?

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M. FORTIN: Une question supplémentaire.

A supplementary question. Mr. Chairman.

Est-ce que, dans le même ordre d'idées que mentionnait...

M. FORTIN: Est-ce que, dans le même ordre d'idées mentionné par M. Tremblay, Radio-Canada de son côté aurait promis, garanti ou laissé entendre, d'une façon quelconque, que jamais ces chiffres seraient dévoilés?

* * * *

M. TREMBLAY: Monsieur Bushnell, pourriez-vous nous dire si c'est là simplement le fait d'une entente verbale ou si réellement il y a des textes sur lesquels vous pouvez vous appuyer pour déclarer que c'est réellement le fait d'une entente définie entre la Société Radio-Canada et les commanditaires?

* * * *

M. DORION: J'ai demandé à M. Bushnell, l'autre jour, de produire une formule des contrats qui sont passés avec les agences de publicité.

M. FLYNN: Il l'a.

M. DORION: On me dit qu'elle a été produite, mais je n'en possède pas une copie.

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M. TREMBLAY: Monsieur le président, pour suivre l'exemple de M. Pickersgill, je voudrais faire allusion au domaine de l'intérêt public.

Est-ce qu'il est dans l'intérêt public de demander aux contribuables de participer à des programmes qui servent à la publicité de certaines compagnies...

M. TREMBLAY: Et cela sans fournir aux contribuables des explications sur la part qu'ils prennent dans cette publicité?

* * * *

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M. FORTIN: Où trouverons-nous le prix qui a été payé ou qui sera payé à l'auteur d'une pièce qui est jouée?

* * * *

M. FORTIN: A condition que l'auteur ait du talent.

* * * *

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M. DORION: Monsieur le président, je voudrais savoir jusqu'à quel point ce bureau de recherches étend son activité? Est-ce que cela concerne simplement les programmes d'ordre commercial ou les programmes où il y a des commanditaires, ou cela comprend-il tous les programmes?

* * * *

M. DORION: Alors, j'ai vu dans la liste de vos commentateurs des noms qui reviennent constamment. Je n'ai pas besoin de les citer, ils sont là. Je voudrais savoir si ces noms, si le choix de ces commentateurs est le résultat des enquêtes qui ont été faites par ce bureau.

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M. DORION: Alors, pour faire suite à votre réponse, monsieur Bushnell, je voudrais savoir qui a la responsabilité du choix de ces commentateurs qui sont toujours les mêmes figures, avec les mêmes idées, et à peu près avec des versions qui varient peu à peu du jour au lendemain?

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M. DORION: Je regrette, monsieur Bushnell, mais en jetant un coup d'œil sur la liste que vous nous avez remise, et qui est simplement pour le mois de janvier 1958, on aperçoit les noms de personnes qui appartiennent toutes, ou à peu près, à la même école de pensée, sauf quelques rares exceptions. Alors, il y a sûrement quelqu'un qui est responsable de ce choix. Il y a là une tendance très marquée qui dénote, n'est-ce pas, que l'on ne donne pas à toutes les opinions la chance de se faire entendre. Alors, je voudrais connaître les noms des personnes qui sont responsables de cela, du moins pour le réseau français.

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M. TREMBLAY: Monsieur le président, je ne suis pas tout à fait d'accord sur le fait que l'on doive nécessairement taire le nom de certaines personnalités. La société Radio-Canada n'est pas une société qui administre simplement des biens matériels; c'est une société qui a une responsabilité dans l'ordre moral et intellectuel. Par conséquent, il n'est pas possible au président ou au vice-président d'assumer toute la responsabilité dans l'ordre moral et intellectuel. Conséquemment, il est nécessaire d'avoir les noms de certaines personnalités quiassument une portion, une partie très importante de l'opinion publique à la société Radio-Canada.

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M. DORION: Oui, monsieur le président.

Pour ajouter à ce que vient de dire mon excellent ami de Roberval, nous sommes en présence d'une discrimination évidente. Il n'est pas besoin d'analyser longuement la liste qui nous a été produite pour conclure que nous sommes en présence d'une organisation qui, à jet continu, de façon permanente, n'a recours pour exprimer des idées, pour faire l'éducation du public, qu'à une seule et unique école de pensée, et c'est devenu scandaleux. En conséquence, je ne tiens pas responsables M. Bushnell ou les autres, mais je crois que, dans un cas comme celui-ci, il serait souverainement injuste de tenir la haute direc-

tion de Radio-Canada *in toto* responsable de cela. Il y a des noms derrière; il y a certaines personnes qui exercent une parcelle d'autorité, qui sont responsables, et ces gens-là, on doit les connaître pour faire ensuite les recommandations qui s'imposent.

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M. FORTIN: Pour revenir un peu sur ce que M. McCleave disait, ce que nous voulons savoir, évidemment, c'est quel est l'individu qui a choisi les commentateurs qui ont paru à la télévision et dont les noms apparaissent sur la liste que nous avons actuellement en main? Je crois que le comité aurait maintenant le droit d'entendre cet individu. Conséquemment, je demande à M. Bushnell ou à M. Carter de s'entendre avec la personne qui a choisi ces commentateurs-là et de lui faire savoir que le comité désire l'entendre comme témoin dans les jours qui suivront.

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M. FORTIN: Les commentateurs du réseau français 1958, du lundi au vendredi.

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M. OUIMET: Serrer l'actualité d'aussi près que possible.

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M. TREMBLAY: Monsieur le président, je suis tout à fait d'accord avec mon collègue, M. Fortin. Je serais bien intéressé à savoir qui choisit ces gens-là, parce que, comme je l'ai fait remarquer au début de la réunion du comité, on a l'impression d'assister à une course au fantôme. Chacun se passe la responsabilité, et finalement, on est obligé de revenir à M. Bushnell qui, lui, en est quitte ou en sera quitte pour faire des excuses au nom de celui-ci ou celui-là; mais où est la responsabilité à Radio-Canada? Qui, en pratique, assume la responsabilité? Je prends l'exemple des commentaires qui sont faits en français à la radio. Qui, en pratique, choisit ces gens-là? On a parlé tout à l'heure d'agences de recherches. Qui décide, par exemple, que pendant des années on va maintenir une continuité qui n'est pas nécessairement dans le goût du public; le cas des Plouffe, par exemple?

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M. FORTIN: A qui est-elle transmise d'abord?

M. CARTER: Désirez-vous que je vous réponde en français?

* * * *

M. TREMBLAY: Monsieur le président, on a parlé de *script*, tout à l'heure. Y a-t-il un comité qui constitue une agence, enfin un organisme qui est censé discuter, acheter, approuver des textes?

M. CARTER: Nous avons un service des textes, monsieur le président.

APPENDIX "A"

Organization and Functions of Audience Research

When the Audience Research Division was first conceived, Management issued the following statement of objectives.

The Bureau of Audience Research will be responsible for conducting scientific research about the size, composition and characteristics of listening and viewing audiences, both English and French, across Canada and for investigating the reaction and preferences of the Canadian public about radio and television programs. It will also be responsible for special opinion and market surveys about broadcasting in Canada.

The Bureau will act in an advisory and service capacity to Management, the Program Division and other related Divisions such as Commercial, Press and Information, Station Relations and Broadcast Regulations. . . .

In attempting to achieve this objective, Audience Research works with and provides services to all Divisions of the Corporation. The kinds of requests that have been received were of a much wider and more varied nature than was originally anticipated. Once the Division was in operation, officials tended more and more to turn to it for assistance in solving their problems—problems of audiences or otherwise. At present there seems to be a widespread awareness of the need for objective data in planning, operating and evaluating the work in practically all phases of the Corporation's activities. In fact, these diversified requests to the Division suggest that possibly the name should be changed from Audience Research to Research and Statistics or some comparable broader designation. While this multiplicity of demands has put a heavy load on the staff, it served to bring the Division into close contact with all facets of broadcasting. For this reason, and because of the nature of research work, the organization of the Division has been kept relatively flexible. At the moment, the Division is operating in three locations—Ottawa, Montreal and Toronto.

Ottawa

The Ottawa location is head office of the Division's interests and embraces the Director's office, Statistics Department, Analysis and Reports Department and Research Projects Department.

- (a) *Director's Office*—The Director's office is responsible for research policy and planning, overall supervision and co-ordination of the work of the specialized Departments in Ottawa as well as the regional offices in Toronto and Montreal. The Director takes the ultimate responsibility for all research activities and in turn reports to Management through the Controller of Broadcasting. As a member of the Management Committee, he is in touch with all current developments and problem areas and is in a position to direct activities in such a way as to meet the most important needs of Management, the various Divisions and Regions.
- (b) *Statistics Department*—This Department is responsible for providing a number of statistical services including current and projected figures on sales and distribution of sets, coverage statistics concerning the number of Canadian radio and TV households within station and network reception areas, and also for tracing the growth of Canadian radio and TV. In this area, the Statistics Department works closely with the Commercial and Engineering Divisions and the Operations group as well as the Treasurer's Division. It also maintains close working liaison with the Dominion Bureau of Statistics and other sources of current statistical information.

Another important function of this Department is to design and select samples for special research projects. One of the continuing responsibilities of the Chief Statistician, who is also Supervisor of the Department, is to evaluate the quality of statistical material purchased from commercial research organizations and to suggest ways and means by which the standards of such statistical market research data may be improved.

From time to time, this Department is called upon to do intensive research into various methods of setting rates and to assist and advise the Assistant Controller of Broadcasting (Commercial) in setting up rate structures for all networks. It is also called upon to provide periodic forecasts of all total advertising expenditures and television expenditures.

(c) *Analysis and Reports Department*—The major function of this Department is to analyze audience size or rating information supplied by commercial audience measurement firms. Ratings when properly analyzed and used within their limitations, can be helpful in discovering patterns of listening and viewing and can be particularly useful to Programming Officials, Commercial Representatives, Station Managers, Information Services staff, as well as Management. As well as preparing special studies in trend analyses, this Department handles a wide variety of requests for information either verbally or in memo form.

In addition, Analysis and Reports has been assigned the function of editing, processing and distributing Audience Research bulletins and reports. The monthly Audience Research Bulletin, containing a variety of current research information, is widely distributed throughout the Corporation.

Analysis and Reports has also responsibility for publishing semi-annually a program statistical analysis report. This contains analysis of the different CBC program balances on radio and TV networks and on TV stations on the basis of program content.

(d) *Research Projects Department*—This Department is responsible for the planning and execution of special studies of various kinds in an attempt to learn more about the impact and effects of radio and television broadcasting and the nature and behaviour of audiences of different kinds. Audience opinion and reaction information is collected, interpreted and related to the particular characteristics of the audiences.

Research Projects is responsible for definition of the problem, design of the study, analysis and interpretation of the data gathered and presentation of the results. In many cases, the field work is carried out by commercial research agencies in accordance with Audience Research specifications. On a number of occasions, however, the Research Projects staff have conducted or directed their own field work activity.

(e) *Research Reference Library*—In addition to the Director's office and the three main departments, head office also contains a research reference library. This library serves all sections in the Audience Research Division and acts as a reference library for other CBC offices and Divisions located in Ottawa. This includes the ordering of all books and periodicals. The primary aim of the library has been to acquire as complete a collection as possible of important books and research projects dealing with mass media and related social science areas. Already this library contains as much information on research methods and findings in the communication research field as any in the country.

Montreal:

The Montreal office has been operating for the past year, and now services most of the needs of the French networks. It assists program planners and producers to define their problems, and designs and conducts studies to meet their specific needs. The Supervisor maintains close liaison with senior CBC officials and advises Regional Management on all matters concerning research.

Toronto:

The Toronto office is just now being staffed to the point where, in a few months, it will be able to service the English network in much the same way that the Montreal office now serves the French networks. In due course, it is hoped that this office will also be able to embark on an efficient job of program testing and evaluation. In addition, as the bulk of market research agencies, advertising agencies, and advertisers are located in Toronto, this office will be expected to keep in touch with various officials in these fields.

APPENDIX "B"

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM COST REPORT

Title: "La plus belle de ceans"
 Telecast time: 10-11:48
 Live: Network: Sustaining: 1 Episode

Program Number: 8303-2
 Telecast date: 3/5/59
 Number of Performers: 79

Actual Production Cost	
Talent.....	\$ 27,109
Program Production.....	6,602
Film Production.....	4
Design—Direct and Indirect.....	18,023
Staging—Direct and Indirect.....	10,807
Technical.....	6,679
 Total Production Cost.....	 \$ 69,224
<i>Add: Overhead application to recover administrative expense:</i>	
<i>(a) Regional Production Center.....</i>	
\$ 10,384	
 \$ 79,608	
<i>(b) Management Supervision.....</i>	
4,845	
 \$ 84,453	

APPENDIX "C"

CANADIAN BROADCASTING CORPORATION TELEVISION SERVICE

PRODUCTION COSTS AND ASSOCIATED INCOME

French Network

Program	Production Costs	Administrative Overhead	Total Costs	Receipts		
				Program Contribution	Station* Time	Total
	\$	\$	\$	\$	\$	\$
A	4,932	345	5,277	3,600	819	4,419
B	16,298	1,141	17,349	10,200	1,492	11,692
C	7,605	532	8,137	4,500	756	5,256
D	3,803	266	4,069	2,050	1,202	3,252
E	2,134	149	2,283	1,700	699	2,399
F	7,940	556	8,496	3,900	939	4,839
G	4,841	339	5,180	4,100	789	4,889
H	7,208	505	7,713	3,900	996	4,896
I	8,951	627	9,578	5,025	736	5,761
J	1,955	137	2,092	1,800	717	2,517

* Net of payments to private affiliates.